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ABSTRACT

Factors that influence the effectiveness of state and local units of the federal Work Incentive (WIN) program were examined to suggest ways to improve the program, which is designed to move recipients of Aid to Families with Dependent Children (AFDC) into productive jobs. Factors studied were organizational, managerial, and service delivery characteristics and also environmental factors, such as demographic and labor market conditions. Data collected over a two-year period from field research in forty-three local sites and ten states were analyzed to compare high and low performing programs. The main performance measures identified were number of job entries per staff, average job entry wage, retention rate, and average monthly welfare grant reduction. Socioeconomic environment was found to significantly influence performance levels while political-bureaucratic environment was not shown to be associated with variations in performance. High performing state programs were managed differently than low performers, and high performing local units differ systematically from low performing units in the way they were managed and delivered services to clients. Organizational structure of state programs appeared less important than other factors, but local characteristics were extensively shaped by those at the state level on such issues as program priorities, management behavior, and attitudes toward CETA. Recommendations are presented under the following topics: differentiating high from low performing programs, managerial recommendations, changes in service delivery methods or emphases, and elements of a structured performance improvement program. (JT)

Implementing Welfare-Employment Programs: An Institutional Analysis of the Work Incentive (WIN) Program

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U.S. Department of Labor
Ray Marshall, Secretary

Employment and Training Administration
Ernest G. Green
Assistant Secretary for Employment and Training
1980

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FOREWORD

This monograph is an account of the organizational structure, management, and operation of the Work Incentive (WIN) Program from the Federal to the local level. The study was undertaken at the request of the Office of Work Incentive Programs--a program designed to help welfare recipients obtain employment. WIN is administered jointly by the Department of Labor and the Department of Health, Education, and Welfare at each governmental level. The program faces significant management questions which evolve from the need to unite two agencies in the provision of two types of services--social services and employment services.

The study looks inside the "black box" of program implementation and service delivery at those factors which characterize top performing WIN programs. It answers the traditional management question: Why do some programs outperform others, even after their labor market and client environments are taken into account? After systematically identifying and controlling for those environmental factors which affect program performance, the researchers ranked State and local WIN programs on four standardized WIN performance measures. A sample of high and low performers were selected for more indepth research on management issues, such as goal awareness, type and extent of staff training, reporting accuracy, monitoring frequency and type, and styles of lateral and horizontal communication. This comparison of high and low performers indicated that systematic differences existed which explained why some programs were high performers and others low performers. The study concludes by recommending concrete steps which Federal, State, and local WIN programs could undertake to improve their performance.

In addition to clearly addressing the needs of WIN program operators at all levels of the system, the study should be of interest to a wide range of human resource program planners, managers, trainers, and evaluators. It contains invaluable lessons for the welfare reformer seeking to combine the delivery of both social services and employment and training opportunities. Lastly, the organizational theorist will find that the monograph provides a unique case study of the strategies required for managing a system which must unite the services of two agencies.

HOWARD ROSEN
Director
Office of Research

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A number of colleagues reviewed parts of this report at various stages of preparation. They included Robert Sadacca, Mary Jane Huneycutt, Frank Levy and Charles Thorpe of the The Urban Institute; Michael Wiseman of the University of California; Leonard Goodwin of Worcester Polytechnical Institute; Leonard Hausman of Brandeis University; and Erwin Hargrove of Vanderbilt University.

Many people associated with WIN made essential contributions. Gordon Berlin, our project officer in the Office of Research and Development of the Employment and Training Administration, was exceptional in his diligence, understanding and effort on behalf of the project. Merwin Hans, the national WIN Director, and his staff in the WIN national office were generous with their time and thoughts. Their receptiveness to new ideas or suggestions was unusual. Our advisory group of regional and state WIN officials--George Ivans, Helen Killgo, Rollin Odland and Bill Wood--offered useful feedback and advice through their review of our study design and initial findings. Our ultimate debt, however, is to the hundreds of state and local staff who shared with us their experiences, perceptions and ideas.

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John J. Mitchell
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ACRONYMS

ABE	Adult Basic Education
AFDC	Aid to Families with Dependent Children
AFDC-U	Aid to Families with Dependent Children, Unemployed Parent Component
AMWGR	Average Monthly Welfare Grant Reduction
BEOG	Basic Educational Opportunity Grant
BOS	Balance-of-State
CAA	Community Action Agency
CAS	Cost Accounting System
CETA	Comprehensive Employment and Training Act
DHEW	Department of Health, Education, and Welfare
DOL	Department of Labor
ES	Employment Service
ESARS	Employment Security Automated Reporting System
ETA	Employment and Training Administration (in DOL)
IMS	Intensive Manpower Services
IMU	Income Maintenance Unit
LME	Labor Market Exposure
MIS	Management Information System
MPC	Manpower Planning Council
NCC	National Coordinating Committee
OHDS	Office of Human Development Services
OIC	Opportunities Industrialization Center
OJT	On-the-Job Training
OWIN	Office of Work Incentive Programs

ACRONYMS (Continued)

PSE	Public Service Employment
RCC	Regional Coordination Committee
SAU	Separate Administrative Unit
SESA	State Employment Security Agency
SMPC	State Manpower Planning Council
Title V	Title V of the Economic Opportunity Act
Title XX	Title XX Social Services Amendment to the Social Security Act
TRE	Training-Related Expenses
VR	Vocational Rehabilitation

EXECUTIVE SUMMARY

This report examines factors that influence the effectiveness of state and local units of the Work Incentive (WIN) program and suggests ways of improving the performance of this welfare-employment program. The report focuses on the organizational, managerial and service delivery characteristics that our research indicated were conducive to high performance. It also discusses the environmental factors, such as demographic and labor market conditions, which affect WIN performance at the state and local level.

This report is based on data collected and analyzed over a two-year period. Extensive field research was conducted in 43 local sites and ten states as well as regional and Washington offices in both the Department of Labor (DOL) and the Department of Health, Education, and Welfare (HEW). Our approach was to study what differentiated high performing programs from low performers and to use that knowledge as the basis for recommendations. This summary presents our major findings and recommendations.

1. The WIN System

The WIN program was established by the Social Security Amendments of 1967. Its purpose is to move recipients of Aid to Families with Dependent Children (AFDC) into productive jobs, thereby increasing their self-sufficiency and reducing welfare rolls and expenditures. WIN is the joint responsibility of DOL and HEW.

Since its inception, the program has undergone periodic legislative and policy changes that altered its emphasis from training and developmental services to immediate, unsubsidized employment; mandated participation for most categories of adults receiving AFDC; and shifted program responsibilities from welfare to employment and training agencies. By 1979 the direction of WIN had gradually changed again--from maximizing immediate job placement to a more "balanced" approach that was also concerned with the wage level and permanence of the jobs obtained. In addition to direct placement and training, the current program model includes employability planning, job search instruction, child care, transportation, various types of counseling, and other supportive services.

In 1978 the program had about 1.6 million registrants nationwide, approximately 35 percent of all AFDC heads of household. They were served by about 13,000 staff located in all states, the District of Columbia, Puerto Rico, Guam and the Virgin Islands. Federal funding for FY 1979 was $388 million.

WIN is unique in that it is jointly administered by two different agencies at each governmental level. A National Coordinating Committee (NCC) composed of the Assistant Secretary of Labor for Employment and Training (DOL-ETA) and the Administrator of the Office of Human Development Services (HEW-OHDS) has statutory responsibility. Program operation is delegated to a National Executive Director. The Office of Work Incentive Programs (OWIN) is housed in DOL but is an integrated unit consisting of personnel from both DOL and HEW. This structure is replicated at the federal regional office level.

In all but two states the employment security agency (SESA) is currently the designated "WIN sponsor." A Separate Administrative Unit (SAU) has been established in every state welfare agency to handle WIN responsibilities. Unlike the federal units, the state programs are not integrated. Most state WIN sponsor and SAU administrative personnel are located organizationally and physically in their respective agencies.

Below the state level, the pattern of dual organizational responsibility is continued in all but a few cases. Most local WIN service delivery systems involve separate SAU and sponsor units, even though they are sometimes collocated. The linkages between these pairs of units and from each unit to its host welfare or employment security agency vary considerably.

2. Environment and Program Performance

The socio-economic environments within which WIN programs operate significantly influence their performance levels. Four main measures of that performance were identified which reflect the current balanced mission of WIN to find jobs for as many registrants as possible while also increasing the wage level and duration of those jobs. The four measures were:

- Number of job entries per staff.
- Average job entry wage.
- Retention rate.
- Average monthly welfare grant reduction.

These measures were standardized to permit state-to-state comparisons and were statistically adjusted to take into account differences in labor market and client difficulty. Programs were identified as high performers if they performed better than expected given their socio-economic environment on a composite index of the four measures. Those that performed worse than expected were identified as low performers.

Statistical analysis showed that socio-economic environment explained a high proportion of the variance in state and local WIN performance on these measures. Data on 214 local units in ten states revealed that labor market and demographic environment accounted for about one-third to one-half of the differences in performance among local WIN programs. Thus, for example, 52.1 percent of the variation in average WIN local job entry wage levels was attributable to the combined effect of five factors--presence of low wage industries, average employer size, poverty population, male registrants, and local employment growth.

These findings have important implications for resource allocation decisions on the national, regional and state level. They suggest the possibility that allocation formulas might be developed that provide performance incentives while taking into account the relative difficulty of labor market and demographic conditions facing different state or local WIN programs.

Data on the economic and client demographic factors affecting performance can also be useful in evaluation or management analysis because they permit comparisons to be made despite differences in environment. The information may also assist planning and locational decisions, since it suggests ways to predict more precisely what potential performance can be expected from WIN operations in different kinds of communities.

Unlike socio-economic environment, differences in political-bureaucratic environment were not shown to be associated with variations in performance. Federal regional offices' impact on state and local program performance was generally quite limited, although regional WIN units were quite diverse in how they allocated funds, participated in state plan development, conducted site reviews, and interacted with states.

State level elected officials were generally unaware of and uninterested in WIN. With one exception their impact on program policy was extremely limited. Lobbying groups almost wholly ignored WIN in our ten study states. Legislative and executive review of WIN budgets were generally cursory, although in several states they resulted either in authorized SAU positions being limited or Title XX funding being earmarked for WIN.

Political interventions were reportedly extensive and frequent in half the programs in our sample. They took the form of special treatment for particular registrants or interference in personnel and procurement decisions. However, analysis revealed no relationship between state program performance and political intrusions. Similarly, the responsiveness and flexibility of support systems such as administrative service agencies and state personnel departments varied across the sample but were not associated with differences in performance.

3. State WIN Programs

High performing state WIN programs tended to be managed differently than low performers. Their leaders imparted to local WIN sponsor staff a clearer perception of national program goals, including the balanced importance of both the quality and the quantity of job entries. SAU personnel defined their mission not only as providing social services to registrants but also as creating linkages to income maintenance units and Title XX. Goal displacement and resource diversion by host agencies was infrequent or minimal.

High performance in state WIN programs was also associated with:

- More frequent and extensive training of staff, often conducted jointly for sponsor and SAU personnel.
- Relatively accurate, trouble-free reporting systems due to the acquisition of technically trained staff, creation of problem-solving procedures and development of WIN-IMU linkages for reporting on obtained employment and welfare grant reductions.
- More intensive and sophisticated monitoring, often including comprehensive and structured joint visits to both SAU and sponsor units.
- Area staff or field technicians with extensive program experience who provide technical assistance and a visible program presence in the field while also serving as a communication link among local units and between local staff and state program leaders.
- More open upward communications from local units to the central office.
- Promotion of lateral communication among local staff through statewide meetings, training sessions and conferences.
- More collaborative annual planning and budgeting by state SAU and sponsor officials, with greater involvement of field staff.

The organizational structure of state programs appeared less important to their performance than other factors. Thus, neither the size of state WIN programs, their organizational location within host SESA and welfare agencies, nor the number of service delivery units they operated were related to their performance. However, staff intensity (staff/registrant ratio) varied considerably from state to state and was significantly correlated with the proportion of registrants that entered employment.

Similarly, collocation of SAU and WIN coordinators was not found to be important either to program performance or SAU-WIN coordination. However, the intensity, frequency and character of their interactions appeared related to program performance.

Lastly, high and low performing programs were found both where WIN sponsor units were integrated into the ES hierarchy and where WIN was "self-contained." The experience of sample states indicated that self-contained programs could succeed even in the face of host agency hostility. However, WIN programs integrated in the ES hierarchy required the support or at least the neutrality of SESA leadership to be high performers. SAU coordinators in high performing programs also tended to receive at least moderate support from their supervisors in the state welfare agency.

4. Local WIN Service Delivery Systems

High performing local WIN units tended to differ systematically from low performing units in the way they were managed and delivered services to clients. WIN sponsor managers in high performing local programs tended to:

- Maintain more accurate and timely reporting systems.
- Monitor or evaluate their operations more frequently and intensively.
- Emphasize systematic distribution of information and more frequent internal discussion.
- Permit more flexibility regarding work rules and office procedures and delegate more to program subordinates--but in combination with more highly developed accountability systems.
- Exchange functions among staff and cross-train them for different jobs.
- Deal more directly and openly with conflict within the unit.

Services to clients also tended to be delivered differently in high performing programs. In such programs:

- Uncooperative clients were the subject of more extensive counseling.
- Imparting job search skills to clients was emphasized.
- Job development efforts were focused on the individual client rather than just on generating a large pool of job orders.
- The SAU provided extensive supportive services beyond child care.
- More frequent and extensive interactions occurred between SAU and sponsor staff whether or not they were collocated.

One of the most significant findings was the permeating influence of state level variables. On issues such as program priorities, management behavior or attitudes toward CETA, local characteristics were extensively shaped by those at the state level. This suggests that federal administrators need not reach down to the local level in order to have an impact on local operations and performance. Rather, by influencing attitudes and practices of program and organization leaders at the state level, federal officials can affect behavior in a large proportion of local units.

Other important findings were that:

- WIN-ES relations were not associated with WIN performance.
- WIN staff put little reliance on ES job orders and job banks.
- WIN-IMU links were critical to WIN case management and reporting but were generally troubled.
- Higher performers tended to have more frequent contacts with IMU's, and a number of units had evolved strategies for improving the IMU linkage.
- There was generally little WIN access to CETA training and PSE jobs and such access was not associated with WIN performance.

5. Improving WIN Performance

Performance improvement strategies require, first, the capacity to accurately differentiate high from low performing programs. Recommendations aimed at developing that capacity include:

- Improving the retention rate and welfare grant reduction performance measures.
- Adjusting performance for environmental difficulty so that relative effectiveness measures take into account labor market and client demographic conditions beyond the control of program personnel.
- Creating SAU effectiveness indicators.
- Improving automated reporting systems.

Once low performing state programs are identified, both federal and state personnel must have the ability to diagnose the underlying problems. Development of diagnostic monitoring systems is proposed that would focus regional federal representative's monitoring on the performance of state and local WIN programs and on information about administrative, managerial, service delivery and coordinative functions related to that performance. Transmission of those methods from regional to state program personnel and joint development of performance improvement efforts are recommended.

Specific changes in low performing programs are suggested based on the pattern of characteristics found in high performers. Managerial recommendations include:

- Improve goal awareness and application.
- Enhance evaluative, analytic and monitoring capacities at the state central office and area levels.
- Expand training activities, especially around management functions, reporting systems, financial systems, and welfare/employment program or service delivery innovations.
- Intensify SAU-sponsor coordination and collaboration.

Recommendations for changes in service delivery methods or emphases include:

- Emphasize counseling and working more intensively with reluctant clients rather than ignoring or quickly sanctioning them.

- Place more emphasis on imparting job-seeking skills and on job-search activities by clients themselves.
- Emphasize client-oriented job development.
- Experiment with expanded institutional training for some clients.
- Develop richer mixes of supportive services.
- Improve the critical linkage to IMU's.

Although some incentives for change already exist, incentive structures need to be strengthened. Our proposals include a more straightforward and objective performance incentive funding system, dissemination of information on the comparative performance of state programs throughout the WIN system, and, in extreme cases, the selection of alternative WIN sponsors.

While many of these suggestions might be implemented separately, they are also the building blocks of an integrated, sequential approach to improving the WIN program. The basic elements of a structured performance improvement program are

- Joint development of improvement strategies by national, regional and state officials.
- Development and application of a performance incentive funding system for use at both the federal and state levels.
- Development and use of monitoring guides to target improvement assistance, incentives and sanctions.
- Periodic data collection and analysis of a sample of local WIN units representative of all WIN units to permit continuous monitoring of changes in environment, organization and performance throughout the WIN system and to guide actions taken in performance improvement projects.
- Structured organizational change and performance improvement projects in selected state and local programs.
- Comparison of data from these "experimental" sites with data from units in the representative sample,

leading to firmer conclusions on what organizational characteristics influence WIN performance and what change strategies are most effective.

- Dissemination and general application of the knowledge derived about how to make welfare-employment programs more productive.

PART I

INTRODUCTION

PART I

INTRODUCTION

Part I provides a brief description of the Work Incentive (WIN) Program, the objectives of this research effort, and the methods employed in the study. Chapter 1 summarizes the legislative history of WIN and the changes in program policy concerned with providing employment services to welfare recipients. WIN is jointly administered by the Department of Labor and the Department of Health, Education and Welfare. Its unique bi-organizational structure is described from the national to the local level. This is followed by a statement of the objectives of this research project and the general approach we have taken to the analytic challenges it presented. Detailed discussion of our research methodology appears in the Appendices at the end of the report.

CHAPTER 1

THE PROGRAM AND THE RESEARCH PROJECT

1. Welfare-Employment Policy and WIN

The federal government has been extensively involved in employment and training programs for welfare recipients for nearly two decades. The 1961 Amendments to the Social Security Act permitted states to expand their Aid to Families with Dependent Children (AFDC) program by allowing grants to families with an unemployed parent, usually the father, in addition to single-parent families. As a result, able-bodied males appeared on welfare roles in noticeable numbers, and federal attention turned to finding ways to get them back to work. The creation of Community Work and Training Projects in 1962 was intended to prepare these individuals for return to regular employment while enabling them to work off their welfare benefits. As part of this program, states were encouraged to provide social services aimed at the causes of personal dependency.

This concept was expanded by Title V of the Economic Opportunity Act of 1963, which established work experience projects to serve AFDC mothers as well as fathers. Title V introduced the idea of dual organizational responsibility. Welfare agencies administered the work projects, training, and social services, and employment service agencies (ES) placed clients in jobs when they completed the program.

The next major development occurred when the 1967 Social Security Amendments replaced Title V with the Work Incentive (WIN) Program. This legislation institutionalized the linkage between employment and welfare by requiring joint administration of the new program by the Departments of Labor (DOL) and Health, Education and Welfare (HEW). An incentive formula was instituted that allowed welfare recipients to keep up to two-thirds of their earnings without losing benefits, and participation was made mandatory for some types of welfare recipients.

Since 1967 WIN has undergone periodic legislative and policy changes which have shifted the amount of emphasis on institutional training, direct placement in the private sector, and subsidized employment. The overall objective, however, has remained the same--to assist AFDC recipients in obtaining productive jobs, thereby increasing their economic self-sufficiency and reducing welfare rolls and expenditures.

The early focus (WIN I, 1967-1971) was on providing institutional training to improve clients' occupational skills. The 1971 Social Security Amendments changed the direction from training to immediate employment whenever possible (WIN II). This legislation, often referred to as the Talmadge Amendments, included a mandatory registration requirement for all adults receiving AFDC. The only recipients exempted were the aged, the incapacitated, and those who lived in remote areas or were needed at home to care for children under six years of age or an ill family member. As part of the de-emphasis on institutional training, at least one-third of WIN/DOL funds were to be spent for on-the-job training (OJT) and public service employment (PSE).

The shift in program responsibility from welfare to employment and training agencies implicit from the 1967 Social Security Amendments onward was carried one step further in the "WIN Redesign" of 1975. Now clients registered with the local WIN employment and training staff rather than at the welfare department. They were then exposed to labor market information and an immediate attempt was made to find them a job. The intent was to place persons applying for AFDC into jobs and avoid their ever actually going on welfare. Additional priority was put on direct placement of the most employable registrants and somewhat less emphasis on supportive services.

Since Redesign, the national direction of WIN has gradually changed from maximizing immediate placements to a more "balanced" approach toward placement, supportive services, counseling and training. Part of the current balanced mission includes improving the quality of placements in terms of entry wage levels and job retention.

In addition to job counseling, placement and training, the current WIN program model permits a variety of other services. These include employability planning, job search instruction, allowance payments during training, transportation to job interviews, child care for dependent children and other supportive services to enable an individual to become employed.

In 1978 the program had about 1.6 million registrants nationwide, approximately 35 percent of all AFDC heads of household. They were served by about 13,000 local program staff located in all states, the District of Columbia, Puerto Rico, Guam and the U.S. Virgin Islands. Federal funding for FY 1979 was $388 million.

2. Bi-Organizational System

WIN is unique among federal programs in that it is jointly administered by two different agencies at each governmental level. The program's bi-organizational structure from the national to the service delivery level is depicted in Figure 1.

A National Coordinating Committee (NCC) composed of the Assistant Secretary of Labor for Employment and Training (DOL-ETA) and the Administrator of the Office of Human Development Services (DHEW-OHDS) has statutory responsibility for WIN. The NCC delegates administration of the program to a National Executive Director. The national Office of Work Incentive Programs (OWIN) is housed in DOL but is an integrated unit consisting of personnel from both DOL and HEW.

This structure is replicated at the federal regional office level. The DOL Regional Administrator of ETA and the HEW Regional Administrator of OHDS preside over the program, while a Regional Coordinator and an integrated unit drawn from both departments administer it.

In all but two states, the employment security agency (SESA) is currently the designated "WIN sponsor," although legislation does not specifically require that arrangement. A Separate Administrative Unit (SAU) has been established in every state welfare agency to handle WIN responsibilities. Unlike the national and regional WIN units, the state programs are not integrated. Most state WIN sponsor and SAU administrative personnel are located organizationally and physically in their respective agencies. In a few states (less than ten in 1977), state level sponsor and SAU staff are collocated, but even in those cases they are organized as two separate units reporting to separate managers.

Below the state level, the pattern of dual organizational responsibility is continued in all but a few cases. Most local WIN service delivery systems involve separate SAU and sponsor units, even though they are sometimes collocated. However, the linkages between these pairs of units and from each unit to its host welfare or employment security agency vary considerably, as Parts III and IV of this report explain. While national policy is that WIN should extend to as many AFDC recipients as possible within budgetary limits, the state sponsor and welfare agencies have the authority to decide what areas of their state will be covered. In 1976 over 90 percent of all AFDC cases were in counties served by a WIN program.

The current bi-organizational character of WIN reflects a perception, evolved over two decades of experience, that putting welfare recipients to work is a complex and varied task requiring both employment-related and social services. Joint administration has, however, posed

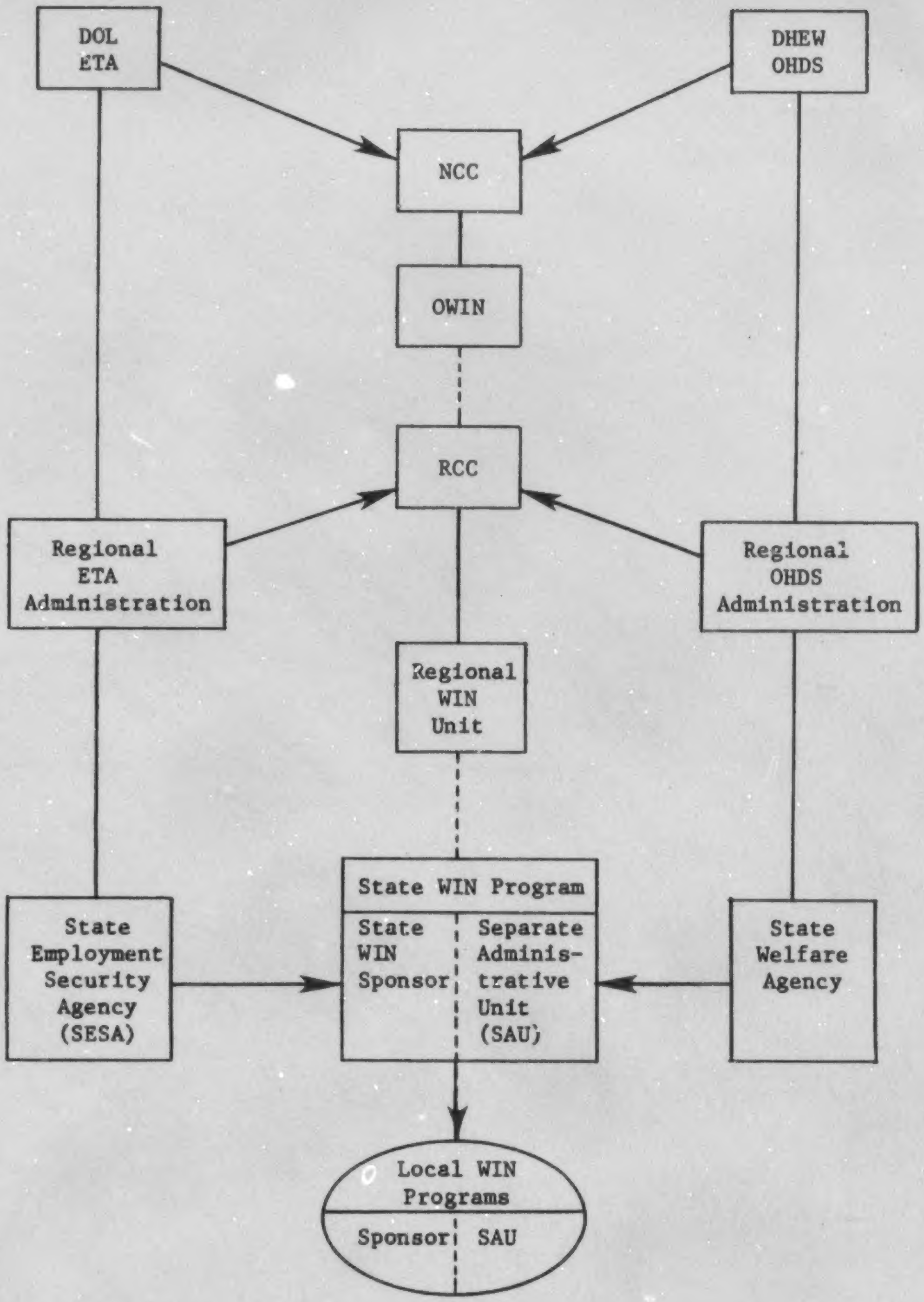
DOL
ETA
DHEW
OHDS
NCC
OWIN
RCC
Regional ETA Administration
Regional OHDS Administration
Regional WIN Unit
State WIN Program
State WIN Sponsor
Separate Administrative Unit (SAU)
State Employment Security Agency (SESA)
State Welfare Agency
Local WIN Programs
Sponsor
SAU

Figure 1

WIN Bi-Organizational System

special challenges to participating organizations and personnel. The priorities, perspectives and concerns of DOL and HEW are often very different, as are those of state or local employment security and welfare agencies. Divergent organizational goals, program models and even philosophies must be considered. Questions of allocating program resources and authority between the two partners must be resolved. Issues of interorganizational communication and coordinated service delivery must be continuously faced. At a time when attention has turned increasingly to the need for closer coordination among all kinds of federal agencies and programs, the experience of WIN should be instructive.

3. Research Objectives

In his review of WIN research, Leonard Goodwin noted that most of the studies conducted in the past have focused on the characteristics of recipients and their interactions with the job market or with public programs.* He argued that,

> Such a focus was eminently reasonable. When WIN was initiated . . . , there were serious unresolved questions about the characteristics of welfare recipients in relation to their participation in the work force. It was not clear that recipients shared a strong work ethic or what other factors affected their trainability and work effort. Hence, much of the research focused on the labor force activity of welfare persons and the way in which the WIN effort affected that activity.

As a result of that research program, much has been learned about the impact of WIN and other government actions or policies on welfare recipients' employment experiences, attitudes and behavior.

However, Goodwin also notes that little research has been conducted on other important aspects of the WIN program, among them the administrative and service delivery systems.** "Lack of a picture of what really happens," Goodwin asserted, "at different levels of WIN operation, within and between the several systems, makes it difficult for policymakers and members of other systems to understand what is behind statistical results, . . . and what could be done to improve the situation."

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*Goodwin (1977), p. 3.

**The few previous studies that focused on the WIN service delivery system either were conducted in the early Seventies before the major modifications of WIN II occurred or concentrated on specialized innovations such as provision of services through vouchers; see Reid et al. (1972) and Richardson (1973).

The research in this report is intended to help understand and improve these administrative and service delivery systems.* Our approach is to seek to learn what differentiates high performing WIN programs from low performers. Such an approach also permits us (1) to describe the organizational and managerial arrangements which translate WIN policies into WIN services, (2) to identify the environmental, political and bureaucratic factors that influence WIN productivity, and (3) to suggest ways in which implementation of the program might be improved.

Although our principal concern is with the administrative and service delivery systems, recipient demographics and labor market conditions play a critical role. We treat recipient and labor market characteristics as environmental factors that define the conditions under which state and local WIN programs operate. These factors are beyond the control of state or local WIN programs, yet they influence program performance. To focus on the impact of organization and management on performance, we first have to adjust performance data for the effect of these external influences. Furthermore, we use data on program participants' success in obtaining employment and decreasing welfare dependency--measures consistent with National WIN policy and objectives--as criteria for judging the relative effectiveness of state and local WIN programs.

This research takes current national policy on the WIN program as a given. We do not address the relative effectiveness of WIN compared to other past, present or proposed welfare-employment programs. However, this study can provide insights for policy makers attempting to reform the current welfare system. Any new program must come to grips with the need for linkages between social services agencies and employment programs. A local service delivery system to provide both supportive and placement services will still be necessary. WIN has been dealing with these linkage issues for a decade now, and much can be learned from its experience.

Our approach has focused on uncovering the interactions which may occur between the WIN environment, the WIN organizations, and the productivity of those organizations. A simple model of those interactions is presented in Figure 2. In the diagram, environment is hypothesized to directly affect both the level of performance and organizational structure, process and behavior. Those organizational characteristics, in turn, may act to influence the level of WIN performance. This kind of interrelationship between environment, organization and productivity has been observed in various kinds of public and private sector organizations and is widely discussed in the literature on organization behavior.

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*Other studies have recently been undertaken that focus on specific functions or aspects of WIN such as unified budgeting, job development and SAU organization; see Farb (1978), Lewis (1978) and Entis (1979).

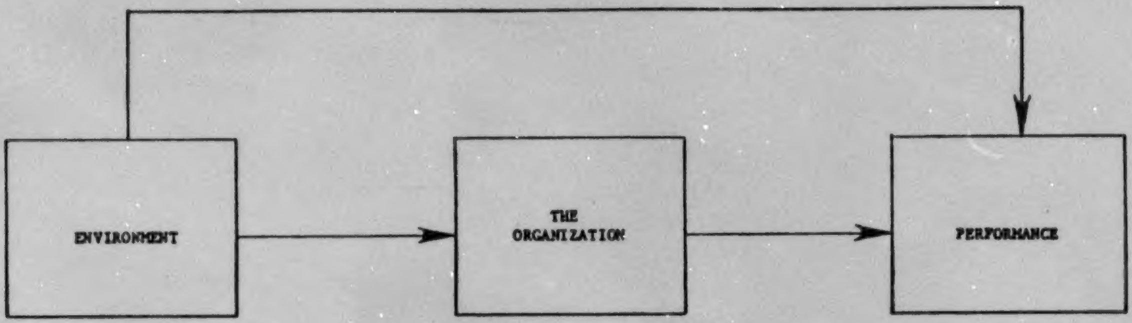

Figure 2

General Model of Environment, Organization and Performance

This report has been organized around the general framework shown in Figure 1.2. Thus, Part II explains how performance was defined and examines the influence of environment on state and local WIN program performance. The environmental factors treated include not only economic and demographic conditions but also external political and bureaucratic influences, such as elected officials, state civil service systems and federal regional offices.*

The next two parts focus on the organization itself. Part III considers the organization of state WIN programs. It discusses overall program structure, functions of the WIN sponsor and SAU central offices, management style and attitudes, and staff characteristics. Part IV analyzes the structure and processes of local SAU and WIN sponsor service delivery units. It also examines the linkages between local units and other programs, such as the employment service, income maintenance units (IMU's), Comprehensive Employment and Training Act (CETA) prime sponsors and vocational rehabilitation.

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*A separate report addresses the WIN federal management system in fuller detail. See Chadwin (1979).

Part V uses the information presented throughout the report to make suggestions aimed at improving the implementation of welfare-employment programs such as WIN. It is followed by appendices and a bibliography. Appendix A presents our methodology. It explains our conceptual framework and describes how we defined terms, categorized phenomena, selected our study samples and collected and analyzed different types of data. It discusses the uses and technical limitations of different parts of our analysis. That analysis included environmental and performance data on all state WIN programs for a three-year period and on all 214 local WIN units in our 10-state study sample. The organizational, managerial and political characteristics of those 10 state WIN programs and of 43 of their local units were the subject of intensive interviewing and other on-site data collection.

Appendix B provides a detailed technical discussion of our analysis of the impact of socio-economic environment on state and local program performance. Appendix C presents an outline of the interview guide used in field research at the local, state and regional office levels. In all, 430 individuals in WIN, in host agencies or in other organizations which interact with WIN were interviewed.

PART II

ENVIRONMENT AND PROGRAM PERFORMANCE

PART II

ENVIRONMENT AND PROGRAM PERFORMANCE

SUMMARY

The socio-economic environments within which WIN programs operate significantly influence their performance levels. Measures of that performance were identified through analysis of the WIN Allocation Formula, program documents, and interviews or surveys of program officials.

Four main performance measures were identified that reflect the current balanced mission of WIN to find jobs for as many registrants as possible while also increasing the wage level and duration of those jobs. These measures were standardized to permit state-to-state comparisons and were statistically adjusted to take into account differences in labor market and client difficulty. The four principal measures were:

- *Number of job entries per staff.*
- *Average job entry wage.*
- *Retention rate.*
- *Average monthly welfare grant reduction.*

Programs were identified as high performers if they performed better than expected given their socio-economic environment on a composite index of these four measures. Those that performed worse than expected were identified as low performers. Both high and low performing programs were selected for more detailed study.

Multivariate statistical analyses showed that a high proportion of the variance in state and local WIN performance on these measures was associated with differences in their socio-economic environments. Analysis on 214 local units in ten states revealed that labor market and demographic variables accounted for about one-third to one-half of the difference in performance among local WIN programs. Thus, for example, 52.1 percent of the variation in average WIN local job entry wage levels was attributable to the combined effect of five factors--presence of low wage industries, average employer size, poverty population, male registrants, and local employment growth.

Our findings about the impact of socio-economic environment on performance have important implications for resource allocation decisions on the national, regional and state level. They suggest the possibility that allocation formulas might be developed that provide performance incentives while taking into account the relative difficulty of labor market and demographic conditions facing different state or local WIN programs.

Data on the economic and client-demographic factors affecting performance can also be useful in evaluation or management analysis because they permit comparisons to be made despite differences in environment. The information may also assist planning and locational decisions, since it suggests ways to predict more precisely what potential performance can be expected from WIN operations in different kinds of communities.

Unlike socio-economic environment, differences in political-bureaucratic environment were not shown to be associated with variations in performance. Federal regional offices' impact on state and local program performance was generally quite limited, although the regions were quite diverse in how they allocated funds, participated in state plan development, conducted site reviews and interacted with states in their regions.

State level elected officials were generally unaware of and uninterested in WIN. With one exception their impact on program policy was extremely limited. Lobbying groups almost wholly ignored WIN in our ten study states. Legislative and executive review of WIN budgets were generally cursory, although in several states they resulted either in authorized SAU positions being limited or increased Title XX funding being made available for WIN.

Political interventions were reportedly extensive and frequent in half the programs in our sample. They took the form of special treatment for particular registrants or interference in personnel and procurement decisions. However, analysis revealed no relationship between state program performance and political intrusions. Similarly, the responsiveness and flexibility of support systems such as administrative service agencies and state personnel departments varied across the sample but were not associated with differences in performance.

INTRODUCTION TO PART II

Performance is the keystone of our study. Our research is directed at identifying those organizational characteristics that are systematically associated with high WIN performance. Its ultimate objective is to develop strategies for improving performance by introducing changes in the way programs are administered and operated. How performance is defined and measured can have a major influence on what are identified as effective ways of organizing state and local programs.

However, performance is likely to be affected by other factors external to the WIN program--factors beyond the control of administrators and staff. Some of these environmental variables--socio-economic ones--can have a direct influence on WIN performance. They can make the job of providing supportive services, improving registrant employability and placing registrants on jobs easier or harder. These factors vary from state to state and local community to community. It is therefore likely that performance levels will vary, too. State and local operations in relatively favorable economic and social settings should have higher performance levels than those in less favorable ones. Chapter 3 explains how we approximated the influence of socio-economic factors on performance and took this influence into account in determining the relative effectiveness of state and local programs.

Another set of "environmental variables" have indirect influences on performance. They cannot directly affect the output levels of the program, but they can influence the organization itself and, through it, impact on performance. These include political or institutional environmental variables such as elected officials and their appointees, civil service commissions or public employee unions. This type of environmental factor will be addressed in Chapter 4.

Figure 3 graphically presents the hypothesized relationship between certain environmental factors and WIN performance. The shaded portions of the model are the subject matter of this Part.

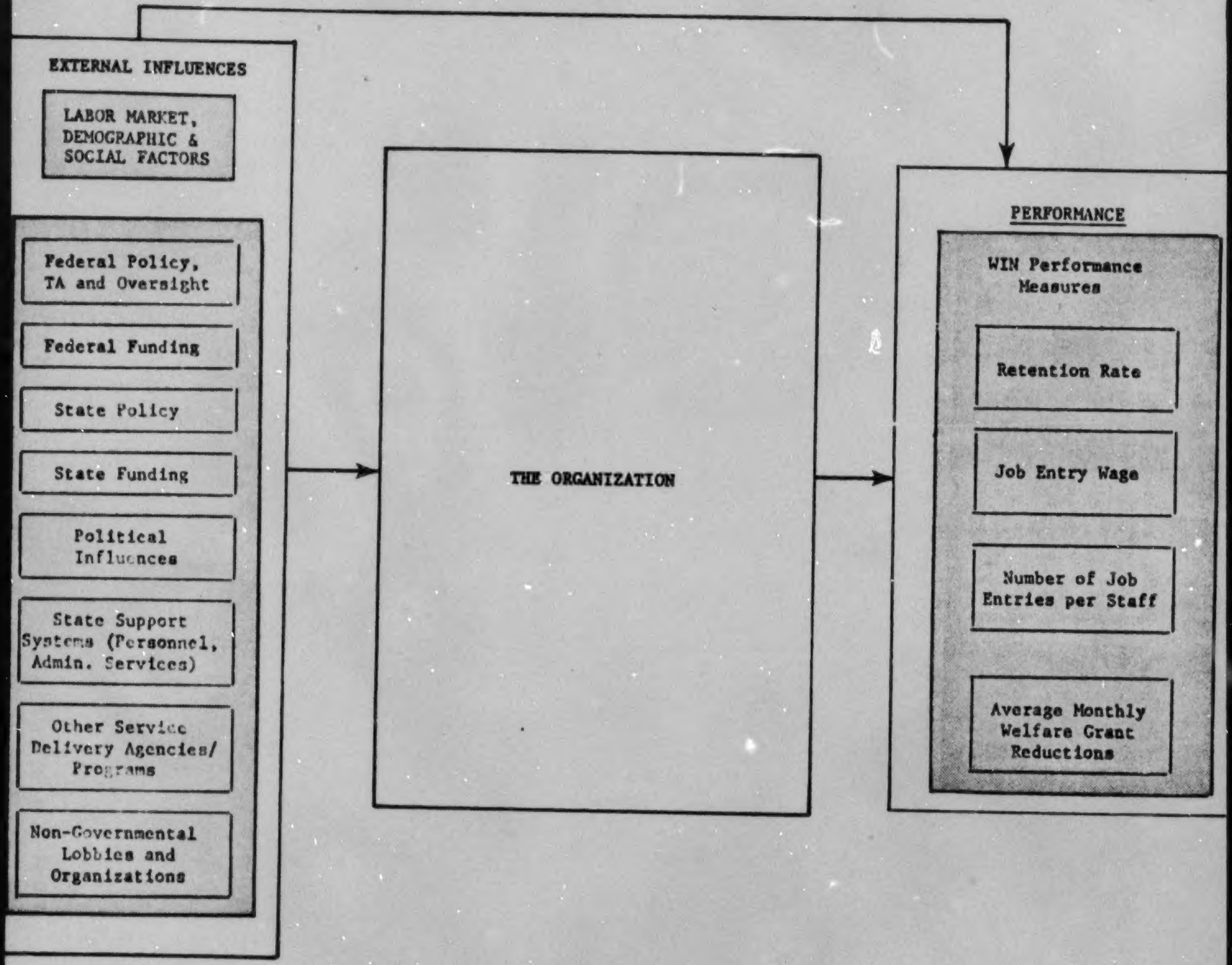
EXTERNAL INFLUENCES
LABOR MARKET, DEMOGRAPHIC & SOCIAL FACTORS
Federal Policy, TA and Oversight
Federal Funding
State Policy
State Funding
Political Influences
State Support Systems (Personnel, Admin. Services)
Other Service Delivery Agencies/ Programs
Non-Governmental Lobbies and Organizations
THE ORGANIZATION
PERFORMANCE
WIN Performance Measures
Retention Rate
Job Entry Wage
Number of Job Entries per Staff
Average Monthly Welfare Grant Reductions

Figure 3

External Environmental, Political and Bureaucratic Influences and WIN Performance

CHAPTER 2

PERFORMANCE AND SOCIO-ECONOMIC ENVIRONMENT

This chapter describes the determination of key performance measures used throughout the study to assess program effectiveness and our findings on the effect of socio-economic variables on WIN performance levels. The four sections that follow discuss (1) program performance measures used in this study, (2) the effect of socio-economic environment on state productivity, (3) the effect of environment on local productivity, and (4) the general relationships among the environmental and performance variables. A more detailed discussion of these issues is presented in Appendix B.

1. Program Performance Measures

The performance of public programs can be defined in many ways. This section describes the process we followed in identifying key WIN performance measures, their role in this study, and their limitations.

Performance Definitions

The purpose of this study was to examine characteristics of high and low performing WIN programs. We operationalized "performance" as it is defined by the national program. The key performance measures in WIN were identified by three methods:

- Analysis of the components of the WIN Allocation Formula to identify its performance elements and their relative importance in determining funding levels for state programs.
- Content analysis of national program documents to identify which performance measures are emphasized in communications to the field.
- Interviews with national and regional officials and surveys of state program administrators to obtain their perceptions of program objectives.*

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*A description of the allocation formula and our analysis of this formula are presented in Appendix B. A detailed discussion of all three methods of analysis appears in Mitchell, et al. (1977a).

Analysis of the discretionary portion of the allocation formula provided the initial identification of performance indicators and their relative priority. Using computer simulations of the formula, we were able to identify the relative impact of performance factors on the amount of discretionary funds allocated to states.* The four most important factors identified by the simulations were: job retention rate; job entry wage rate; number of job entries; and average monthly welfare grant reductions.

Interviews and surveys were used to verify these findings as well as to identify the degree to which goal consensus existed at different levels of the program. Officials in the WIN national office, all regional coordinators and all state WIN sponsor coordinators were asked to define the objectives and goals of the WIN program. We also inquired about the performance measures they used to assess their programs and the relative importance they attached to each measure.**

One additional step was required before using the above four performance measures in our research. Two of the four measures--number of job entries and monthly welfare grant reductions--were significantly affected by the relative size of state WIN programs. For example, could we meaningfully assess relative performance by comparing the absolute number of job entries generated in California to those that occurred in Mississippi? Similarly, what equity would there be in comparing California's gross welfare grant reductions to those of Mississippi?***

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*Eight factors are used in the WIN Allocation Formula: job retention rate; job entry wage rate; number of job entries; average monthly welfare grant reductions; penalty for poor reporting; dollar cost of the state program; potential number of WIN registrants; and the average monthly welfare grant.

**Time and cost considerations led to a decision to collect information from only one respondent per state at this time. During our field work, data on similar items were collected from the state SAU coordinators in our sample states.

***More than the program size factor limited cross-state comparisons. The average monthly welfare grant in California for 1977 was $302, compared to $47 in Mississippi. Thus, placing a registrant in a job that removed him or her from welfare completely in California would result in a welfare savings 6.4 times greater than a similar placement in Mississippi. One way of resolving problems arising from both program size and welfare grant size is to compare actual welfare grant reductions to potential welfare grant reductions. The latter is, in effect, the saving that would occur if every WIN registrant were removed from the welfare rolls. This is, in fact, how we have standardized welfare savings data across state programs.

To permit meaningful comparisons we had to standardize these measures. Job entry performance thus became a productivity measure--job entries per staff. Welfare grant reductions were standardized by dividing gross welfare savings by the product of the number of registrants in a program and that state's average welfare grant. This created an actual-versus-potential type performance measure.

Standardization was also required for a third measure--job entry wage rates. Statistical analysis indicated that WIN job entry wage rates were systematically related to state prevailing wage rates.* Thus, it would not be meaningful to compare job entry wage rates in Alaska, where the prevailing wage was $8.21 in 1977, to those in low-wage states, such as North Carolina with a prevailing wage of $3.80. We standardized this measure by dividing the average WIN job entry wage rate by the prevailing wage rate. Thus, it measured the degree to which WIN wage rates approached the state (or local) labor market's prevailing wage.

The remaining performance measure--retention rate-required no standardization. It is currently defined by the WIN program as the proportion of those placements expected to last 30 days or more that actually last that long.**

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*Average hourly earnings of workers on manufacturing payrolls were used to standardize the job entry wage measure. This standardization was chosen because WIN job entry wage rates were significantly related to prevailing wage rate (average hourly earnings of production workers on manufacturing payrolls), with correlation coefficients ranging from .718 to .785 for the period 1975 to 1978. Later multiple regression analyses were conducted using this standardized measure and also using an unstandardized measure (but with prevailing wage as an independent variable). No significant differences between the two approaches occurred in the statistics or in their power of "explanation."

**The definition for retention rate has changed during the past four years, which caused some analytic problems. A change from FY 1977 to FY 1978 caused immediate reporting changes in the states. Both definitions were based on the entries expected to last at least 30 days. But in 1977 retention was measured as the number of persons contacted and still on the job compared to the number of actual contacts made. Since FY 1978, retention has been measured as the number of persons contacted and still on the job after 30 days compared to the number of entries originally expected to last 30 days. The federal computer program accompanying this change was in error, and carry-over counts from the previous fiscal year caused considerable inconsistency in reporting. These technical problems plus conceptual issues

Table 1 presents the standardized performance measures that were used in this study and the priority weights for each. The weights were derived from the simulation analyses of the allocation formula. The table also gives the data sources for each measure.

Some clarifications are necessary about these performance measures. First, the performance indicators (in their unstandardized form) were those stressed as most important in the allocation formula and in WIN national office policy statements. They are not policy judgments that we have made.

Second, the performance measures address different dimensions of the same phenomenon--the acquisition of jobs by WIN registrants. Job entries per staff is largely a measure of *quantity*. Retention rate and job entry wage rates describe the *quality* of the jobs in which WIN registrants are placed. It is reasonable to expect that the quantity and quality objectives work against each other. Increasing the number of WIN registrants placed could lead to emphasizing "quick and easy" job entries--relatively low paid jobs with high turnover rates and low job security. This runs counter to a quality-of-placement goal. Conversely, emphasizing quality--making placements that last 30 or more days and at relatively high wage rates--requires a more labor-intensive placement effort. This extra effort means fewer total job entries.

Although retention rate is the most heavily weighted factor in the formula, it is not to be assumed that placements are not important. Naturally, retention cannot be maximized unless a client is placed. The weighting merely indicates that a quality placement (higher wage, longer duration) is more important than increasing the numbers of placements.

As the analysis that follows shows, state WIN agencies that are high performers on the placement quantity measure are not high performers on the quality measures. Few state WIN programs are either high or low performers on more than one of the four measures. Thus, readers should bear in mind the *balanced mission* of WIN. High performers generally try to balance their performance on both quantity and quality measures. Low performers may do well on one of these measures, to the detriment of others.

It is also evident that the four measures address program performance at two different levels. The placement, wage and retention indicators measure outputs directly attributable to local WIN unit workers. Local staff either make direct placements or provide labor market knowledge and an "incentive" that stimulate registrants to find their own jobs.

**(continued from preceding page) concerning whether retention rate as now reported is a realistic measure of overall quality of WIN job entry activity are discussed in detail in Appendix B.

Table 1

Standardized WIN Performance Measures, Data Sources for Measures and Weights Derived from Analysis of WIN Allocation Formula

Standardized Performance Measures	Data Sources for Measures	Weights Derived from Analysis of WIN Allocation Formula	
		Absolute Weights	Percent of Total Weights[6]
1. Retention Rate	WIN Allocation Formula Table 2.[1]	14.97	39.11%
2. $\frac{\text{Entry Wage Rate}}{\text{Prevailing Wage Rate}}$	WIN Allocation Formula Table 6.[2]/Average hourly gross earnings of production workers on manufacturing payrolls (Employment and Earnings, BLS)	8.31	21.71%
3. $\frac{\text{Number of Job Entries}}{\text{Stuff Positions Paid}}$	WIN Allocation Formula Table 5, Col. 7.[3]/*Cost Accounting System* Report 96	7.53	19.67%
4. $\frac{\text{Average Monthly Welfare Grant Reductions}}{\text{Average Monthly Welfare Grant Costs}}$	WIN Allocation Formula Table 5, Col. 3.[4]/WIN Allocation Formula Table 6, Col. 6 x Table 1, Col. 3.[5]	7.47	19.51%

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1. Col. 7 for FY'76, Col. 11 for FY'77 and Col. 3 for FY'78.
2. "True" weighted average using Cols. 3, 4, 6 and 7 for FY's '76 and '77; Table 4, Col. 4 for FY'78.
3. Table 4, Col. 3 for FY'78.
4. Table 3, Col. 2/Col. 1 for FY'78.
5. Table 7, Col. 3 x Table 1, Col. 3 for FY'78.
6. Absolute weights total to 38.28, so that 14.97 is 39.11% of total.

On the other hand, welfare savings are largely the result of the quantity and quality of these job entries.*

Lastly, WIN performance along dimensions other than these four measures was not ignored. In our search for measures of program output that could be used to explain performance variations among state and local programs, we tested the relationship of other available activity measures to these four measures. In addition, we sought to identify activity level measures that might be used in the future as SAU performance measures.** The WIN program does not currently include SAU activity levels in its measurement of program performance. Developing SAU indicators would require careful examination of how SAU and WIN sponsor activities relate to each other and to overall program objectives. SAU measures cannot be defined separately from sponsor measures. The steps that would be necessary in developing indicators for SAU performance are discussed in Chapter 14.

2. Effect of Socio-Economic Environment on State WIN Productivity

This section briefly describes (1) the procedure used to analyze the effect of social and economic variables on state WIN performance, (2) the results of that analysis, and (3) how we applied those results in selecting study states. A more detailed discussion appears in Appendix B.

Relationships Between Socio-Economic Factors and State Performance

One of the main hypotheses presented in Chapter 1 was that enviromental variables had a significant direct effect on WIN performance levels. Programs in relatively favorable environments were hypothesized to perform better than those in relatively unfavorable settings. That is, State and local programs in certain types of labor market areas obviously have more difficulty placing registrants into jobs. There may be very little choice in the jobs that are available. Even the best WIN staffs cannot place registrants unless there are jobs in the community.

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*The level of reported welfare savings can also be affected by other factors. Programs that gave priority to the reporting of welfare grant reductions by IMU's are likely to have higher reported savings. Also, differences among state and local programs on what constitutes WIN-related welfare savings can have a similar effect. Some state and county IMU's might report all reductions related to WIN registrants, even those caused by windfalls (inheritances, etc.) or marriage. Others might be very restrictive. They might report only those welfare reductions due to direct placement by WIN staff, refusing to give WIN credit for those savings resulting from registrants finding their own employment ("obtained employment").

**SAU activity levels were included in analysis whenever possible. This was hampered by two factors: (1) the lack of comparable data on important state or local SAU activity measures and (2) the questionable reliability of the data that were available. These factors and hypothesized links between SAU items reported in Parts III and IV and overall program performance are treated in Appendix B.

To identify socio-economic conditions or demographic characteristics of WIN registrants that might have a significant effect on WIN performance, we first reviewed previous research. These studies suggested possible relationships between registrant demographics, WIN services provided, and program performance. In addition, we developed hypotheses ourselves about how WIN performance might be affected by economic and labor market conditions as well as a few relatively fixed program characteristics for which reliable data could be obtained. Appendix B presents the factors for which data were available at the state level, our rationale for including them in the analysis, and the data sources used to operationalize them.

To test the hypotheses we first examined these environmental variables and performance measures using bivariate correlation analysis. This analysis simply compared the values of two variables for each state program--one an environmental variable and the other a performance measure. It showed whether, across all state programs, there was a discernible and significant relationship between any two variables. Did the values of a performance indicator consistently increase or decrease as the values of an environmental variable increased? This procedure was repeated for each environmental and performance variable. Bivariate relationships were similarly examined among environmental variables and among the performance indicators. In this way we were able to identify those socio-economic variables that were significantly related to different WIN performance measures. Data were analyzed separately for three 12-month time periods. These time periods were (1) CY 1974, (2) CY 1975, and (3) April 1976 through March 1977. They corresponded to the three reporting periods used for WIN allocations for FY 1976, FY 1977, and FY 1978 respectively. Correlations among environmental variables and performance measures were examined for each of the three time periods, based on data for 51 state programs.*

Table 2 shows those factors that proved to be significantly correlated with each performance indicator at the state level and whether the relationship was positive(+) or negative (-). As the table shows, each of the four measures was associated with different environmental

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*For a more technical explanation of all statistical procedures, see Appendix B to this report and Mitchell, et al. (1977b). For complete correlation matrices for performance and environmental factors for each of the three years, see Nightingale and Mitchell (1978).

Table 2

Socio-Economic Factors Significantly Related to Each Performance Measure at the State Level for FY 1976, FY 1977 and FY 1978*

	Job Entries Per Sponsor Staff	Welfare Grant Reductions	Retention Rate	Job Entry Wage
Positive Factors (+)	Labor force participation rate	Prevailing wage	Entry level salary for counselors	Population density
	Prevailing wage	Growth in non-agricultural employment	Proportion of WIN registrants with 12 or more years schooling	Unemployment rate
	Proportion of WIN registrants that are male	Proportion of WIN registrants that are male		Proportion of employment in lowwage industries
	Proportion of WIN registrants with 12 or more years schooling	Proportion of WIN registrants with 12 or more years schooling		Entry level salary for counselors
				Proportion of WIN registrants that are male
Negative Factors (-)	Proportion of population below poverty	Population density	Prevailing wage	
	Proportion of WIN registrants that are non-white	Large metro areas	Unemployment rate	
		Unemployment rate	Proportion of WIN registrants that are non-white	
		Average employer size		
		Proportion of employment in low-wage industries		
		Proportion of WIN registrants that are non-white		

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*All relationships are statistically significant at the .1 level or higher for at least two years.

factors. Also, some environmental factors were positively related to one performance measure and negatively related to another. For example, as population density increased, welfare savings decreased, but job entry wage increased. Correlations, therefore, identify the relationship between two factors.

However, bivariate correlation analysis does not provide an understanding of the multiple environmental influences on WIN performance found in real world operations. The values of one environmental variable might be affected (or offset) by other environmental variables. Therefore, we next used multiple regression analysis to identify the linkages among environmental variables and WIN performance measures. In this way we were able to more thoroughly test the hypothesized effects of environmental factors. What were the combined influences of socio-economic variables on different WIN performance measures? What groups of factors best "explained" variation in a performance measure among state programs?

For each of three years (CY's 1974, 1975 and 1976), step-wise multiple regression was used to analyze the relationship between each performance measure and the environmental factors. The results of this analysis are presented in Table 3. The environmental factors shown best "explained" variation in performance at the state level for each measure and each year. The adjusted R^2 under each set of environmental variables shows the proportion of the variation in performance among states that was attributable to that set of environmental variables. Thus, in the case of average WIN job entry wage, two variables taken together (proportion of employment in low wage industries and proportion of WIN registrants that are male) explained 30.5% of the variation in performance in FY 1977 and 21.7% in FY 1978.

Several important results are apparent in Table 2.3. First, the same sets of factors show up as the most powerful explainers of the same performance measures each year, with only two exceptions.* The linkages between performance and environmental factors are, for the most part, consistent over time. Second, the environmental factors that have the greatest influence are not the same for each of the four performance measures. Third, certain performance indicators seem most influenced by labor market

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*The recession of 1974 evidently seriously affected the number of job entries per WIN staff for FY 1976 allocations. None of the associations which were strong in FY 1977 and FY 1978 held up for FY 1976. Second, the FY 1978 allocation formula changed the method of calculating retention rate, and this appears to have brought different factors into prominence as explainers of retention rate for FY 1978.

Table 3

Socio-Economic Factors that Significantly Explain Variation in State WIN Performance, FY 1976, FY 1977, FY 1978

(Results of regression analysis of state level data)

A. Factors Affecting Job Retention Rate

Explanatory Variables	Cumulative R^2	Beta coef. (and direction of association)	F-ratio (significance)
FY 1976			
Metro. population	.082	-.41425	10.271*
Highly educ. registrants	.225	.47337	12.593*
Counselor salary	.309	.29960	5.463*
[Adjusted R^2=.279, N=51]			
FY 1977			
Highly educ. registrants	.137	.48035	16.743*
Counselor salary	.290	.43752	13.793*
Unemployment rate	.385	-.31049	7.241*
[Adjusted R^2=.359, N=51]			
FY 1978			
Minority registrants	.083	-.36374	8.044*
Lowwage industries	.169	.33068	6.682*
Labor force partic. rate	.252	.29228	5.219*
[Adjusted R^2=.220, N=51]			

B. Factors Affecting WIN Job Entry Wage Rate

(average entry wage/state prevailing wage)

Explanatory Variables	Cumulative R^2	Beta coef. (and direction of association)	F-ratio (significance)
FY 1976			
Population density	.145	.32981	6.380*
Lowwage industries	.224	.28608	4.800**
[Adjusted R^2=.207, N=51]			
FY 1977			
Lowwage industries	.152	.44650	13.516*
Male registrants	.320	.41391	11.615*
[Adjusted R^2=.305, N=51]			
FY 1978			
Lowwage industries	.137	.38517	9.078*
Male registrants	.234	.31109	5.922*
[Adjusted R^2=.217, N=51]			

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*Significant for two-tailed F-test at 5% critical value (5.424).

**Significant for one-tailed F-test at 5% critical value (4.085).

Table 3 (continued)

C. Factors Affecting WIN Job Entries per Sponsor Staff[1]

Explanatory Variables	Cumulative R^2	Beta coef. (and direction of association)	F-ratio (significance)
FY 1977			
Minority registrants	.205	-.43413	11.297*
Labor force partic. rate	.240	.18823	2.124
[Adjusted R^2=.223, N=50]			
FY 1978			
Minority registrants	.176	-.38682	9.412*
Labor force partic. rate	.248	.27036	4.598**
[Adjusted R^2=.231, N=51]			

D. Factors Affecting Standardized Average Monthly Welfare Grant Reductions

Explanatory Variables	Cumulative R^2	Beta coef. (and direction of association)	F-ratio (significance)
FY 1976			
Average employer size	.226	-.51498	19.609*
Prevailing hourly wage	.359	.36652	9.933*
[Adjusted R^2=.345, N=51]			
FY 1977			
Average employer size	.231	-.51191	22.406*
Prevailing hourly wage	.441	.45928	18.035*
[Adjusted R^2=.429, N=51]			
FY 1978			
Average employer size	.237	-.49684	16.174*
Prevailing hourly wage	.270	.18242	2.181
[Adjusted R^2=.254, N=51]			

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[1] No data is presented for FY 1976 since no set of explanatory factors yielded F-tests at or above the 5% critical value.

*Significant for two-tailed F-test at 5% critical value (5.424).

**Significant for one-tailed F-test at 5% critical value (4.085).

conditions, while others are more sensitive to registrant characteristics. Of particular interest is the fact that the number of job entries per staff and job retention rate appear most heavily influenced by registrant characteristics. Fourth, environmental factors explain 21 percent to 43 percent of the performance variation among state programs.

Identifying High and Low Performing State Programs

The resulting regression equations not only estimated the extent to which each performance measure was affected by socio-economic environment. They also provided a way to control for socio-economic differences in choosing study states. The final regression equation for each measure was used to estimate the expected level of performance for each state, given the economic and social conditions in that state. By comparing expected performance to actual performance, states were identified that were doing better or worse than expected on each performance measure.* It was assumed that the difference between estimated expected performance and actual performance was largely due to differences in managerial and organizational characteristics.** These differences were, of course, the main focus of our field research.

The ratio of actual performance to expected performance described to what extent programs exceeded or fell below what they reasonably would be expected to do, given their environment. This ratio was used to derive performance scores on each of the four measures. To obtain an overall performance measure, scores for each of the individual indicators had to be combined. After consultation with national WIN officials, an overall performance index was created in which each indicator was weighted as in the discretionary portion of the WIN Allocation Formula.***

The selection of study states considered the overall performance rankings for all three years. In the end our sample included three states that were high performers and three that were low performers each year. Two other states had shown improvement over that period and were clearly high performers in the most recent years. The last two were low performers with consistently declining performance.* During the course of the study, however, one of the original high performers experienced a drastic decline in productivity (based on FY 1979 performance data).

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*See Nightingale and Mitchell (1978) for actual and estimated performance levels for all states for the three years analyzed.

**The residual (actual performance minus expected performance) would also be due to unidentified environmental factors, to measurement errors and biases in the data used, and to random shocks affecting programs.

***See Table 2.1 for the policy weights as derived by simulation analyses of the WIN Allocation Formula. This part of the formula is, in effect, a statement of current national performance priorities. For explanations of the development of the performance index and the technical categories for classifying high and low performance, see Appendix B and Mitchell, et al. (1977b).

3. Effect of Socio-Economic Environment on Local WIN Productivity

The local sites visited within the ten states were selected in a manner similar to the method used for state selection.** In states where the number of local projects permitted statistical analysis, regression equations were used to estimate expected performance. This was then compared to actual performance in the same type of procedure used at the state level. Final selection of sites was made after consultation with the WIN sponsor and SAU coordinators in each state, to confirm the high and low performer status.

The process of selecting local sites to visit resulted in a data base of all local WIN units (a total of 214) in the ten study states. Analysis similar to that described in the preceding section was then conducted with this local level data. The purpose was (1) to identify high and low performing local WIN units across the ten states and (2) to verify and further explore the relationships between environment and program performance indicated by the state-level analysis. This section briefly describes the analysis and our findings.

Relationships Between Socio-Economic Factors and Local Performance

Following field work, correlation analysis was conducted as the first step in identifying associations between environmental variables and local unit performance. Table 4 presents those variables that were significantly correlated with each of the four performance measures. Those asterisked had also shown significant relationships at the state level, as presented earlier in Table 2. As can be seen, there were substantial similarities in the results of the two correlation analyses, especially for the job entry and welfare grant reduction measures. Relationships

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*The quantitative analysis was the main, but not the only, basis for selecting states. Regionality and structural variety were also considered. See Mitchell, _et al_. (1977b).

**Performance, demographic and economic information was obtained for all 214 local WIN units in the the ten study states. Within each state, data were collected for each variable for a comparable time period (CY 1977 or FY 1978 for most variables). The variables in our local level data base and technical details of the statistical analysis of that data appear in Appendix B.

Table 4

Socio-Economic Factors Significantly Related to Each WIN Performance Measure at the Local Level[a]

	Job Entries Per Sponsor Staff	Welfare Grant Reductions	Retention Rate	Job Entry Wage
Positive Factors (+)	*Proportion of WIN registrants with 12 or more years of schooling	*Proportion of WIN registrants that are male		*Proportion of non-agricultural employees in low wage industries
	*Prevailing wage *Proportion of WIN registrants that are male	*Proportion of WIN registrants with 12 or more years of schooling		Proportion of population below poverty
	Employer size	Number of sponsor staff per 100 registrants		Number of sponsor staff per 100 registrants
		*Prevailing wage		
		Number of SAU staff per 100 registrants		
Negative Factors (-)	*Proportion of population below poverty	*Proportion of WIN registrants that are non-white		Average employer size
	Number of sponsor staff per 100 registrants	Proportion of population below poverty	*Proportion of WIN registrants that are non-white	
	*Proportion of WIN registrants that are non-white	*Proportion of non-agricultural employment in lowwage industries		
	Proportion of WIN registrants aged 45 or over	Proportion of registrants aged 45 or over		
	Proportion of non-agricultural employment in lowwage industries			

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*These relationships were also found to be statistically significant at the state level. For comparison to state results, see Table 2.

[a] Based on correlation analysis of data for 214 local WIN sites. All relationships are statistically significant at the .01 level or better.

similar to those observed on the state level also appeared important at the local level.

Next, multiple regression analysis was conducted to examine the combined effect of socio-economic factors on local WIN performance.* Table 2.5 presents the factors that regression analysis showed as most significantly related to variations in each of the performance measures at the local level. For example, 30.4 percent of the local variation in number of job entries (the adjusted R^2) can be "explained" by the combined impact of the five socio-economic variables shown in the table (employer size, density, labor force participation rate, proportion of male registrants and poverty population).

The results summarized in Table 5 revealed several things. First, 52.1% of the local variation in average WIN job entry wage levels was attributable to environmental factors. Of the four performance measures, then, wage level was most affected by local conditions. Most local WIN staff would not be surprised by this finding, since many expressed an understanding of the limited improvements they could make in entry wages.

Second, although the environmental factors explained between 30 percent and 52 percent of the local variation in three performance measures, they accounted for only 14% of the differences in retention rate. The serious data and definitional problems associated with this measure are treated in more detail in Appendix B.

Third, there is considerable overlap in the explanatory variables from measure to measure. With few exceptions, each labor market or demographic factor which proved to be a significant influence on one performance measure also was a significant explainer of others. This overlap suggested additional relationships existed among the environmental variables and among the performance measures. These relationships are discussed in Section 4 of this chapter and in Appendix B.

Identification of high and low performing local programs in ten states. The regression equations in Table 5 were used to develop standardized composite performance scores for the local WIN programs. The procedure was similar to that used earlier in the development of state performance scores. Again, the scores were based on the ratio of actual level of performance to estimated performance level. The local units' estimated

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*Significant explainers were those variables that had regression coefficients with F-ratio values greater than the critical values for a two-tail five percent F-distribution test for significance. See Appendix B for a technical discussion of the procedures and tests performed.

Table 5

Socio-Economic Factors that Significantly Explain Variation in Local WIN Performance

(Results of regression analysis of local level data)

A. Factors Affecting Local WIN Retention Rate

Explanatory Variables	Cumulative R^2	Beta coef. (and direction of association)	F-ratio (significance)
Population density	.094	-.32325	18.681*
Prevailing hourly wage	.114	.23740	10.089*
Unemployment rate	.156	.17059	5.694***
[Adjusted R^2=.141, N=171]			

B. Factors Affecting Local WIN Job Entry Wage Rate

(average entry wage/local prevailing wage)

Explanatory Variables	Cumulative R^2	Beta coef. (and direction of association)	F-ratio (significance)
Lowwage industries	.177	.49341	65.521*
Average employer size	.285	-.31557	21.835*
Poverty Population	.450	.22708	11.660*
Male registrants	.452	.19432	9.486*
Local employment growth	.534	.13848	6.582*
[Adjusted R^2=.521, N=178]			

C. Factors Affecting Local WIN Job Entries per Sponsor Staff

Explanatory Variables	Cumulative R^2	Beta coef. (and direction of association)	F-ratio (significance)
Population density	.064	-.33735	20.881*
Poverty population	.133	-.35063	16.306*
Average employer size	.211	.27500	9.506*
Male registrants	.287	.19646	7.131**
Labor force partic. rate	.325	-.15874	4.530****
[Adjusted R^2=.304, N=165]			

D. Factors Affecting Local Standardized Average Monthly Welfare Grant Reductions

Explanatory Variables	Cumulative R^2	Beta coef. (and direction of association)	F-ratio (significance)
Poverty population	.189	-.48300	44.006*
Lowwage industries	.423	-.32614	22.004*
Population density	.442	-.28604	17.065*
[Adjusted R^2=.429, N=134]			

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*Significant for two-tailed F-test, 1% critical value.
**Significant for one-tailed F-test, 1% critical value.
***Significant for two-tailed F-test, 5% critical value.
****Significant for one-tailed F-test, 5% critical value.

performance levels were based on what levels they could be expected to achieve given their economic and demographic environment.*

High performing local units were identified as those which scored in the top 25 percent of the range of scores for all 214 offices, while low performers were in the bottom 25 percent. The 43 local programs visited in our study were classified as "high", "low" or "average" according to these rankings, and these classifications were used in the qualitative analysis reported in Part IV of this report.

4. Models of Socio-Economic Influences on WIN Performance

The system of relationships among environmental and WIN performance variables that was identified by multiple regression was susceptible to path analysis which allows construction and testing of statistical models to examine relationships among variables. Various models were developed to see which was the most powerful explainer of the interrelationships identified. This path analysis, which is explained in detail in Appendix B, was premised on the hypothesized causal relationships depicted in Figure 4. That figure shows that environment could affect performance. It also assumes that retention rate, job entry wage rate and the number of job entries might have an effect on welfare savings, but that (1) welfare savings could not affect the other three measures; and (2) none of the four performance measures could influence environmental conditions. This was the model that the path analysis tested.

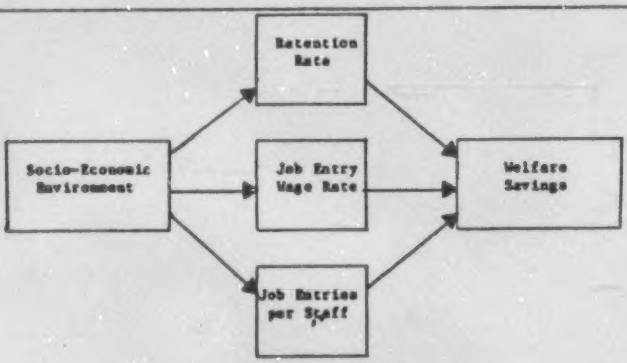

Figure 4
Hypothesized Model of Causal Relationships
Among Environmental and Performance Variables

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*We used two sets of local composite scores, one including retention rate and the other excluding it. This was done since the reliability of the retention rate data at the local level was questionable. However, the general rankings of the local programs were very similar for the two sets of scores. This may have been because units that perform well on retention rate probably have high performance levels on other indicators also. That is, the program emphasis is on the balanced mission to provide quality jobs to as many registrants as possible. The scoring procedure is discussed in more detail in Appendix B.

That analysis confirmed and further clarified what the earlier regression analyses had: (1) that socio-economic environmental factors have a significant influence on WIN job entry wage rates and job entries per staff; (2) that these two performance variables in turn have a large effect on welfare savings;* and (3) that the retention rate measure (as currently defined) contributes little to explaining variations in local performance.

Our findings on the impact of socio-economic variables were important to our study. But they are also valuable in themselves. Data on the economic and client-demographic factors affecting performance can be useful in evaluation or organizational analysis of state or local WIN units because they permit comparisons to be made after minimizing distortion due to environmental effects. The information may also assist planning and locational decisions, since it suggests ways to predict more precisely what potential performance can be expected from WIN operations in different kinds of communities or labor markets.

Our findings also have important implications for resource allocation decisions on the national, regional and state level. They suggest the possibility that allocation formulas might be developed that provide performance incentives while taking into account the relative difficulty of labor market and demographic conditions facing different state or local WIN programs.

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*In fact, performance levels on job entry wage and job entries per staff together explain 45.6% of the variation in local welfare grant reductions.

CHAPTER 3

EXTERNAL POLITICAL AND BUREAUCRATIC INFLUENCES

Chapter 2 identified the influence social and economic environment has upon WIN programs. Now we turn to a different set of external influences, the political and bureaucratic settings in which state WIN programs function. These influences are essentially external to the employment security and welfare agencies of which WIN is a part. They include politicians such as governors and legislators; support systems such as civil service commissions and administrative services departments; other state agencies and programs; and lobbies or special interest groups. Federal influences transmitted by regional offices are also examined. While regional WIN units are obviously internal to the overall WIN system, from the perspective of the states they are an external influence. Thus, they are treated here as part of the political and bureaucratic environment of state WIN programs.

The chapter begins by examining the interactions between state WIN programs and federal regional offices. Then the effect of state political influences, including politicians, legislatures, and lobbies, are discussed. The impact of state personnel and administrative service systems are considered next, followed by linkages to other state level agencies or programs.

1. Regional Offices

This section considers the relationship between state WIN programs and federal regional offices of HEW and DOL, especially the regional WIN units. These units, which are composed of both DOL and HEW personnel, are usually housed in the Employment and Training Administration of DOL regional offices. The main concern here is not the character, structure and management of these units or their links to the WIN national office in Washington. Those issues will be covered in a separate study of the federal parts of the WIN system. Our focus is only on state-regional contacts and activities. What do regional offices do with, for or to state WIN programs? Are there differences in what they do, and if so, with what effect on the states? Ultimately, do regional WIN units make a difference to the performance of state WIN programs?

The data on which this section is based are bounded in scope and time. Interviews were conducted about six regional offices at the state level but were conducted in only five of those offices. In one of those five, only a limited number of interviews were possible due to the illness or unavailability of several potential respondents. Furthermore, several of these units were obviously in transition at the time of our visit. Nevertheless, the data and the patterns described below are valid for that moment in time. They reflect the character of those units and their links to our ten sample states for the same time period in which data on state and local WIN operations and performance were collected.

The section addresses, in turn, regional office (1) allocation procedures and funding decisions, (2) goal-setting and planning functions, (3) site reviews, (4) provision of technical assistance, (5) communications with states, and (6) program advocacy efforts.

Allocations and Funding

Regional offices differed in their approaches to allocating funds to the states. Only one of the five for which we had data reportedly based discretionary allocations exclusively on the national allocation formula. A second had devised its own procedures that rewarded high performers and punished low performers more than the national formula. A third office indicated it usually shaped discretionary allocations to the number of WIN registrants in a state rather than comparative performance. In two regional offices no one but the individual responsible for computing the allocations (in one case the regional WIN coordinator) was sure what the bases of allocations were.

Regardless of regional formulae or emphases, underspending was generally heavily punished. Both high and low performing states in five of the six regions complained that this blunted the meaningfulness of performance incentives and could cause serious operational disturbance in their programs. At the time of our fieldwork, for example, one high performing program was trying to figure out how to adjust to a 20 percent allocation cut due to underspending on OJT and PSE and a decline in number of reported registrants. Options included withdrawing the program from parts of the state, shifting the SAU more heavily to Title XX funding if posssible, and seeking the governor's intervention with the regional office.

The amount of information regional offices shared with the states about their allocation procedure--and, thus, the ways states should optimize performance and rewards--reportedly varied considerably. On the one hand, three regional offices provided no details to state officials. This was because the federal representatives themselves did not know. In one region at least this was because the regional coordinator did not want the states to have such information. On the other hand, one regional office provided copies of the national allocation formula manual to every state in the region and had actively engaged in a dialogue with them about allocations. The states in this region were themselves in the process of jointly developing an alternative to the existing allocation procedure.

Finally, the uncertainty and instability of funding provided by the regional offices was reported to affect state program operations. With few exceptions, state officials reported that federal funding and, thus, state and local unit activity goals often changed during the fiscal year. Local staff recalled frequent "stop-and-start" messages about spending (especially for OJT and PSE contracts), and managers complained about an inability to plan and operate on a long-term basis. However, several high performers appeared to cope with this situation better than other states, for example, by juggling certain SAU expenditures from WIN to Title XX depending on the availability of WIN funds.

Goals and Plans

There was less variance in the way regional offices apportioned activity goals to states. Generally, targets followed dollars. If a state got 20 percent of the region's money, it also was assigned 20 percent of the region's planned activity goals. However, three of the regional WIN units hedged against uncertainty by increasing the overall regional targets or by assigning somewhat higher targets to state programs that were historically more productive.

The process by which these goals were set varied somewhat, as did the role of the regions in the unified WIN sponsor-SAU budgeting and planning process (in its first year at the time of our fieldwork). In three regions the inputs of federal representatives and even the states themselves were taken into account. In two others, targets were simply allocated to the states by the regional coordinator. Similarly, two regional offices took an entirely "hands-off" attitude toward unified budgeting and planning. Two others advised states as to what the division of resources would have been in prior years, but left the decisions to the state personnel themselves. Finally, two regions "suggested" to some of its states the appropriate WIN and SAU portions.

Site Reviews

There was great variety in regional WIN units' approach to site reviewing. State and local respondents in one region reported that regional office federal representatives almost never involved themselves in local unit site reviews. Even visits to the state office were limited to quarterly half-day sessions in one of these states.

By contrast, federal representatives in another region were trained and encouraged to become intimate with the local operations in their states. In the sample state in this region, the federal representative averaged one site visit per month, and those visits involved three days of detailed review, analysis and dialogue with local personnel. She also regularly attended area-wide monthly managers meetings and met with the state WIN and SAU directors weekly. During site reviews, the federal representative struck a posture of joint problem-solving rather than investigation. After each visit, she prepared a report with suggestions that was given to WIN management and local personnel. According to state respondents, her effectiveness was enhanced by the fact that she had been stationed in the state for several years instead of being rotated after a year or two.

Most regions fell somewhere between those extremes. Thus, in one region one sample state was the subject of frequent federal representative site reviews while another was rarely visited. In a second case the regional office, which had actively site visited in the past, had just enunciated a policy of delegating that function increasingly to the states. Program leaders in one of those states were concerned about the eventual effects of that policy. Their WIN program was administered through the ES chain of command down to the local office level, and they knew that federal involvement in site reviews had been essential in "getting certain local programs turned around". They feared that declining federal presence would adversely affect the attention and priority WIN received in the local ES offices as well as regional office understanding of grass roots realities.

Technical Assistance

State interviews revealed substantial variation in the technical assistance regional WIN units were perceived to provide on service delivery, financial management or reporting/computerization issues. Thus, two regions were viewed by sample states as unable to give them much meaningful assistance in any of these categories. State respondents cited as reasons (1) the frequency with which federal representatives were rotated, (2) their lack of grass roots experience or specific technical expertise, and (3) their personal limitations in dealing with people. At the time of our fieldwork, these offices had also reportedly conducted little training for state personnel.

By contrast, a third region was viewed as providing important technical assistance. Federal representatives were generally perceived as no *less* knowledgeable or competent than state personnel and, thus, a useful source of advice and ideas. The regional office also made heavy use of temporary assignments of federal personnel to state positions or state personnel from one state to another, thus, sharing existing expertise around the region. Finally, the regional unit reportedly operated an extensive program of seminars or training courses tailored to the expressed needs of the states.

The other three regional units fell somewhere between these extremes. Usually this meant that only one or two individuals in the unit were perceived by state personnel as having substantial program and technical knowledge or that unit personnel were competent to advise in one or two areas (e.g., budget preparation and financial management) but not others (e.g., ESARS or service delivery techniques).

Communication

Generally there was quite frequent (often daily) telephone contact involving routine information exchanges between regions and states. However, face-to-face contact between the region and the state varied greatly among regions, as noted in the section on site reviews. Similarly, regional units' postures toward lateral contact among their states were noticeably different. Officials in two regions indicated they preferred that their states *not* have much communication with each other, in part out of concern that "they might gang-up" or gain information the region did not want shared. Formal and informal contacts were actively discouraged. Region-wide meetings were limited in number or dominated by federal officials, and there was no evidence of temporary staff exchanges among states. This posture contrasted sharply with that of two other regions that construed their role as facilitating inter-state contacts.*

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*In one of these cases, lateral communication and collaboration went hand in hand with competition among the states over performance, encouraged by the regional WIN unit. This type of competition was consciously minimized in two other regions, in one case due to regional ETA leaders' preference for "region-wide teamwork". The WIN unit in that office was prevented from giving public recognition to the highest performing program in the region on the grounds it would adversely affect the general attitude ETA was seeking to cultivate among SESA's in the region.

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Patterns of federal-state disagreement and conflict resolution were generally similar across all regions. Usually they involved telephone contacts between the state and the regional unit first, and then written statements from the state to the region. Officials in at least three states felt the best tactic was to put their position in writing and force the region to do so, too. In their experience, this sometimes led the region to drop the issue or at least compromise. One or two state program directors said that they also found it effective to sometimes assert that they were going to do things their own way. There was only one state in the sample which reportedly circumvented the region to take its case directly to the national office.

Program Advocacy

Apart from money and information, the major service regional WIN units might provide state programs was as an advocate for the program within the state, within the regional office or within the national office. While we have some evidence that several regional coordinators were particularly forceful in representing the interests of their states on financial or policy issues at national meetings, the effect of this was not clear from our data.

Data on the frequency and effect of advocacy efforts within the regional offices and the states were much clearer. There was evidence of vigorous and effective program advocacy efforts by the WIN regional unit within one regional office. The unit head had gained the respect of the ETA regional administrator and achieved a degree of acceptance and support from him that was unusual. Although an HEW employee, the WIN coordinator regularly attended the ETA administrator's executive staff meetings and played an instrumental role in the regional employment and training institute. The institute had developed a number of courses useful to state WIN personnel. Like most regional administrators, this one delegated WIN responsibilities broadly to the WIN coordinator, but he also had made it clear his active support was available as necessary. Furthermore, he reportedly had let other ETA staff know of his concern for the program and his desire that they stay "aware" of it. As a result, the status of the program within the regional office was unique within our sample.

There was no evidence of any regional office interventions on behalf of WIN with governors or state legislative leaders in any of the ten sample states. Furthermore, there was little evidence that regional offices had actively intervened on behalf of WIN with SESA or welfare department top leadership during the past 3 or 4 years. According to both regional and state respondents, most of the efforts that did occur (i.e., attempts to get line authority for the WIN central office, to affect spending or staffing constraints that were causing SAU underspending, or to ease out-of-state travel restrictions) were ineffectual. The one notable exception was a state where a vigorous intervention by the ETA regional admnistrator and the federal representative caused the SESA chairman and the ES director to alter the agency's attitude and behavior toward WIN (see Chapter 6, Section 6).

Effect on State Program Performance

The data presented in this section indicate that WIN regional units were very diverse in the way they approached the same tasks and in their interactions with states in their regions. The data also suggest that regional office impacts on state WIN programs were in general quite limited. Regional allocation decisions and funding procedures clearly had operational effects on state programs. Regional WIN units did serve as conduits for routine information from Washington to the states and visa versa. But beyond that, the observable effects were few. Regional monitoring was exerting genuine impacts on local operations in only two of the ten sample states. Only one state in our sample credited its regional WIN unit with being able to provide directly most forms of needed technical assistance.

The interview responses of state level WIN personnel reflected this situation. Staff in two of our high performing states told us that their regional office had played a significant part in their program's success. These were the state in which the regional office had played a strong program advocacy role and the state where the federal representative was extensively involved in site reviews and in constant consultation with state and area program administrators. Respondents in all eight of the other states gave their regional office little or no credit for their program's success--or its failure.*

The issue of the role and capabilities of WIN regional units is addressed further in our separate study of the WIN federal management system.

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*In fact, respondents in two states (one low and one high performer) in a region of generally high performers repeatedly told us that their regional office provided none of its states with much meaningful assistance. They said it was important that the high performance prevalent in the region be attributed to the exceptional competence of managers and staff in several of the states, combined with a tradition of extensive inter-state exchange of ideas and information.

2. State Political System

This section focuses on the interactions between WIN and state level politicians, principally governors, legislators and their appointees or staff. The visibility of the program is examined in terms of politicians' awareness of WIN and state level lobbies' interest in the program. Next, state level oversight of WIN's budget is discussed. Then, political interventions in the treatment of individual clients, in WIN personnel matters and in WIN site location decisions are considered.

Program Visibility

Awareness of and interest in WIN was generally low. In six states interview data indicated state level politicians were almost totally unaware or uninterested in the program, and WIN was described as "invisible at the state level". Contacts between the state WIN sponsor or SAU directors and legislators were rare. Although governors and other politicians frequently made public statements about "welfare reform", "workfare", or reducing welfare expenditures, no respondents remembered them ever publicly referring to WIN.*

In four states the situation was somewhat different. One was a state in which the top WIN priority was getting unemployed fathers off welfare under the unemployed parent component of AFDC (AFDC-U). Local unit performance was measured first in terms of the number of AFDC-U cases that had been closed. This emphasis came from the highest levels of state government. For several years, the governor had placed heavy emphasis on putting men on welfare to work. In fact, he had used the success of the state's WIN program in reducing the AFDC-U caseload in his campaign for re-election.

In a second state occasional legislative discussion of WIN was reported. In addition, one U.S. Congressman had paid several visits to the WIN unit in his district and intervened on its behalf to improve linkages to the local CETA prime sponsor. In two other states the program leadership took the initiative in cultivating links to elected officials by providing them with periodic reports or laudatory regional office reviews. As a result favorable references to WIN by politicians occasionally appeared in the media.

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*In two states legislative concern about the "welfare problem" led to the passage of state laws requiring registration for work as a condition for receiving welfare payments. SESA leaders helped assure that eligibility criteria written into these laws were identical to those in WIN and that welfare applicants required to register for work under state law could fulfill that requirement by registering for WIN. Thus, these two laws had no noticeable effect on WIN.

Political impacts on state WIN program policy or content were also extremely limited. The principal exception was the state where WIN's objective of zeroing-out AFDC-U caseloads was politically inspired. Respondents in several other states where welfare was county-administered indicated that county officials occasionally might use their legislators to deter the state from compelling county compliance with WIN regulations. Even the policy influence of the political appointees who served as SESA commissioners was generally limited, usually involving only the ratification of recommendations by career employees.

Similarly, state level lobbying groups almost wholly ignored WIN. Respondents indicated it attracted no attention from feminist, business, or public interest lobbies in any of the states in our sample. While welfare rights organizations were mentioned in five states, there were no reports of lobbying or protest activities directed at WIN in recent years. Thus, at the time of our fieldwork lobbies exerted no significant impact on state WIN programs.

Budget Review and Funding

State level budget review and appropriation processes also raised little interest in WIN. In nearly all states WIN sponsors found it possible to match the federal grants with in-kind contributions from OJT and PSE contracts. Thus, the WIN sponsor (like the ES) involved no appropriation of state funds, and its federal funds were either ignored or passed through automatically by budget bureaus, legislative staff and legislatures.

In most sample states the SAU budget also usually encountered little difficulty at the state level, even though a cash match was required for their federal funds. This was partly due to the fact that SAU's often underspent their budgets and partly because the 90-10 match was viewed as a "good deal" by legislators used to federal programs requiring bigger state matches. Despite this general pattern, there were several states in the sample where the budget process impacted substantially on WIN funding. Four states reported cuts in the state portion of SAU funds because of underspending in prior years or state-imposed limitations on the number of authorized positions. Two indicated that the budget process resulted in Title XX social services funds being earmarked for WIN.

Even in these states, however, the process was a cursory one. Thus, in the state where budget review was most detailed (and where 8-10% cuts in the SAU budget generally resulted), budget analysts reported spending "maybe two hours" on WIN. Only two state SAU or WIN directors reported ever having to appear before legislative committees. Usually the WIN budget was presented by an official of the budget bureau, welfare department or SESA as part of the overall department budget. No program audits or evaluations by executive or legislative staff were reported in any sample state.*

Political Interventions

Interview data revealed the occurrence of three types of political interventions in state WIN programs. In five states it was reportedly not uncommon for politicians to request special treatment for particular clients. Thus, sanctions could not be instituted against a certain registrant or a particular WIN client had to be provided a specific type of training. Some manipulation of hiring and promotion procedures for personal or party patronage also was reported in five states. Finally, in seven states there was political interference in decisions about site locations, office space or purchased services.

Table 6 summarizes the data on reported political interventions. The ten sample states are indicated by the letters A through J and arrayed by performance, with the high performers at the left.** Analysis revealed no statistical relationship between state program performance and political intrusions. However, all three types of reported intrusions tended to vary together by state; those states reporting more of one type also tended to report more of the others. Other data indicated that where such interventions occurred, they were not unique to WIN but were present throughout the SESA and elsewhere in state government.

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*Several respondents in one state reported that the governor's manpower office had precipitated a "review" of WIN several years earlier. However, apparently no report of findings was ever circulated.

** This convention will be followed in similar tables throughout the report. State E is the program that suffered declining performance in the year our interviews were conducted.

Table 6
Reported Political Interventions in State WIN Programs

	A	B	C	D	E	F	G	H	I	J
Special treatment for specific clients.	*				**	*		*		*
Hiring and promotion decisions.	**				**			**	**	*
Site locations, office space, contractor decisions.	**	*	*		**			**	**	**

Key:
** = extensive, frequent.
* = occasional, some.
[blank] = little or none reported.

3. Support Systems

This section considers the support systems, such as state personnel systems and administrative service agencies, on which state WIN programs depend to varying degrees. The autonomy of a program--the capacity of its own managers and staff to decide its fate--hinges in part on the responsiveness and flexibility of such systems. They may affect the behavior of organization leaders, the conduct of management functions and the characteristics of program staff. Thus, they could influence program performance indirectly.

Personnel Systems

The formal and informal characteristics of state personnel systems varied substantially across our sample, and these variations created different operational realities for WIN from state-to-state. However, our analysis revealed no clear association between the characteristics of these systems and WIN program performance.

Hiring. Some type of full or partial hiring freeze was in effect in five of our ten sample states. In two the reasons seemed purely fiscal; state revenues were tight, and although WIN was essentially federally-funded, it did not escape the general proscription. It was time-honored practice in two other states for an in-coming administration to formally freeze hiring so that more centralized control could be maintained for patronage purposes. Finally, in one state both the SESA and welfare department were under court order not to hire until discriminatory practices were ended. In only two of the five states did interview data indicate that the effects of those freezes were severe enough to affect some local WIN office operations. In most cases, there were ways around them (i.e., exceptions, hourly employees, provisional hires) or the interdictions were not severe or long-lasting enough to substantially affect normal staffing levels.

In all ten states all regular hires by the WIN sponsor involved the formalities of examinations, registers and interviews. Similarly, all SAU hires (whether for state or county positions) were based on state civil service system tests and lists. Applicants were then interviewed by county welfare officials in the states where welfare was county-administered.

Despite the formalities, in four states where patronage intrusions were substantial, "provisional" hires were often made in the SESA. In some cases "provisionals" became permanent without ever passing a test. Similarly, in three of these states WIN managers said it was easy to dispense with one register and get a new one in an effort to "reach" a particular individual.

Variation existed in affirmative action efforts, too. Paraprofessional positions were used in four WIN programs to recruit disadvantaged or minority staff. In a fifth, affirmative action efforts in the SESA had led to the creation of separate registers for women and minorities. Elsewhere affirmative action hiring efforts were less obvious, and in nearly all states female respondents saw the fact that veterans received preference (often extra points on their test scores) as a disadvantage.

None of these variations in state hiring practices were shown to be related to differences in WIN program performance.

Promotions. Promotion procedures also differed across our sample. In three states, promotions in the WIN sponsor required written or proficiency tests. In most other cases, openings were posted and applicants who bid for them were interviewed by the office manager and by the ES or WIN area administrator. Final decisions might require area, central office or even cabinet-level approval, depending on the level of the position in question and the state. As noted earlier, patronage concerns played some part in personnel actions in five states.

Promotional opportunities for local WIN staff also varied. In several states there were only one or two classifications of service delivery jobs in the WIN sponsor before an individual had to move to a supervisory job or out of the program. This condition was even more prevalent for SAU's, which often had only a single social worker classification for SAU staff. As described in Chapter 6, several high performing WIN programs were either able to create an internal career ladder or had status enough within the sponsor agency so that WIN personnel found it easy to move into managerial positions in other parts of the SESA.

Speed. The speed with which civil service systems permitted WIN managers to fill vacancies also varied substantially but was not associated with performance levels. At one extreme were three states which reported that the normal time from requesting the register to filling the job was between three weeks and two months. At the other extreme were five states that reported it took between six months and a year to fill a job. Among the reasons cited for these delays were (1) lengthy posting requirements, (2) strict adherence to detailed procedures due to affirmative action concerns or collective bargaining agreements, and (3) fiscal or political reviews of all hires or promotions.

Reclassifications. In five states problems involving reclassifications were described by WIN or SAU officials. In three of these, general reclassifications had led to downgrading of some WIN positions (and in one case SAU positions as well). The SESA in a fourth case had been extensively reorganized, resulting in anomalies in grades and job descriptions. In all five these occurrences disturbed the morale of some individuals and diverted some staff time to grievance or appeals proceedings. Some concern was expressed that in the long-run the downgradings would complicate staff retention and recruitment. But, in general, these disturbances were seen as an unavoidable if unpleasant part of employment in state government.

Unions. In seven of our ten sample states, collective bargaining agreements covering public employees such as WIN staff did not exist. Some type of employee's association was present in five of the seven, but even the most vigorous of these only lobbied the governor and legislature for salary or fringe benefit increases and represented individual workers in grievance procedures. Their impact on WIN was minimal.

Respondents in the three WIN programs that were covered by union contracts indicated that those agreements had significantly affected patterns of promotion and lateral transfer. In each case seniority alone governed advancement and rights to accept or refuse transfers. Merit-based criteria had been abandoned, and managerial choice was diminished. While staff in one of these states attributed recent salary increases to the union's presence, respondents in all three said that the union had not had the anticipated effect of reducing political intervention in personnel matters.

Administrative Services Agencies

Interactions with administrative services agencies usually involved procurement of office space, supplies and equipment. In seven states in our sample these functions did not, in fact, involve an external agency at all but were performed by a bureau of the SESA or welfare department. In two of the other three, respondents indicated that the services department sometimes vetoed their requests to lease a particular office on the grounds that the rents were excessive. One of these departments also reportedly exercised judgment as to the political appropriateness of particular locations. Overall, their impact on the program was not seen as substantial.

In general WIN personnel were rarely much involved in office space decisions. In one state and part of another, the state WIN director played a role; in a third state and occasionally in a fourth, local WIN managers had some part in the choice. Elsewhere, WIN sponsor sites were often pre-determined by ES office locations. Similarly, SAU locations were generally based on where other welfare staff or the WIN sponsor, in the case of collocated units, were housed. In five of our sample states, office space decisions were reported to be very political. Those five states included three where the SESA did its own procurement and two where a separate administrative services agency was involved.*

Finally, SAU officials in two states reported that the administrative services agency or another state-wide control mechanism had effectively barred them from out-of-state travel and, thus, from attending regional office meetings or training sessions.

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*There was only one state in our sample where constituent service concerns reportedly motivated elected officials to seek the location of WIN units in their districts. In that case black and Spanish-speaking state legislators reportedly successfully lobbied the SESA for WIN units to be located in certain parts of one urban and one rural area.

4. Other State-Level Agencies, Programs and Organizations

WIN program interactions with other state agencies or programs and with interest group organizations operating at the state level were generally few and unimportant.*

CETA

Relationships between WIN and CETA at the state level fell into three categories. First, there were four states in which WIN contacts with the governor's manpower staff and the state employment and training councils were extremely limited and, in several instances, tinged with hostility. WIN central office staff indicated it was often months between personal communication. WIN access to resources available from these entities either at the state level or at the local level in the balance-of-state area were generally minimal.

In a second group were five states where there was more contact, formally at least, at the state level. These included the two programs with members on state councils and another in which WIN and the CETA balance-of-state staff reported to the same individual. WIN access to resources and WIN-CETA relations were, however, variable from site-to-site within the balance-of-state area. The patterns of access and interaction were largely shaped by the relationships of local WIN staff and local manpower officials--not by relationships at the state level.

Third, there was one state where the governor's manpower office had contracted with the SESA to conduct most CETA functions in the balance-of-state, and the SESA, in turn, had chosen to carry out these functions through integrated CETA-WIN units. Increased WIN access to CETA PSE was accompanied by extensive diversion of WIN staff to CETA activities, as Chapter 5 will describe.**

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*For a discussion of the interaction between local units of these programs and WIN service delivery units, see Chapter 13.

**Since our field research was completed prior to enactment of the CETA Amendments of 1978, we cannot assess their impact on CETA-WIN links. Title II of that legislation limits eligibility for most CETA training and PSE jobs to the "economically disadvantaged" including welfare recipients.

Vocational Rehabilitation and Education

In eight out of the ten sample states there was, in fact, no current work-related linkage at all between vocational rehabilitation (VR) and the WIN sponsor or SAU at the state level. One of the two remaining states was the site of special VR-welfare teams for disabled AFDC recipients. The other was a state where a VR employee who acted as liaison to the welfare agency was housed in the same bureau as the SAU. This was also one of the few states where VR-WIN links at the local level were closer and more productive. Without exception, no WIN central offices reported any current relationship with state educational or vocational education agencies. Several indicated that the _raison d'etre_ for such links had passed with WIN I and its emphasis on training. Few connections with any other state governmental entities were mentioned.*

This chapter has described the political and bureaucratic environment that surrounds WIN and its host agencies at the state level. Unlike socio-economic variables, the impact on WIN of these kinds of environmental influences was shown to be limited. Our analysis revealed no association between these factors and performance. We found that both high and low performing WIN programs sometimes faced similar problems from uneven flow of federal funds, political intrusions and support systems. It is possible that some of the same internal characteristics that make high performers more productive also make them more adept at by-passing or alleviating these problems. It is to these internal characteristics that we now turn our attention.

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*The links between the SAU and welfare-run placement programs, primarily for state general assistance recipients, will be presented in Chapter 5.

PART III

STATE WIN PROGRAMS

PART III

STATE WIN PROGRAMS

SUMMARY

High performing state WIN programs tended to be managed differently than low performers. Their leaders imparted to local WIN sponsor staff a clearer perception of national program goals, including the balanced importance of both the quality and the quantity of job entries. SAU personnel defined their mission not only as providing social services to registrants but also as creating linkages to income maintenance units and Title XX. Goal displacement and resource diversion by host agencies was infrequent or minimal.

High performance in state WIN programs was also associated with:

- *More frequent and extensive training of staff, often conducted jointly for sponsor and SAU personnel.*
- *Relatively accurate, trouble-free reporting systems due to the acquisition of technically-trained staff, creation of problem-solving procedures and development of WIN-IMU linkages for reporting on obtained employment and welfare grant reductions.*
- *More intensive and sophisticated monitoring, often including comprehensive and structured joint visits to both SAU and sponsor units.*
- *Area staff or field technicians with extensive program experience who provided technical assistance and a visible program presence in the field while also serving as a communication link among local units and between local staff and state program leaders.*
- *More open upward communications from local units to the central office.*
- *Promotion of lateral communication among local staff through statewide meetings, training sessions and conferences.*

> More collaborative annual planning and budgeting by state SAU and sponsor officials, with greater involvement of field staff.

The organizational structure of state programs appeared less important to their performance than other factors. Thus, neither the size of state WIN programs, their organizational location within host SESA and welfare agencies, nor the number of service delivery units they operated were related to their performance. However, staff intensity (staff/registrant ratio) varied considerably from state to state and was significantly correlated with the proportion of registrants that entered employment.

Similarly, collocation of SAU and WIN sponsor coordinators was not found to be important either to program performance or coordination. However, the intensity, frequency and character of their interactions appeared related to program performance.

Lastly, high and low performing programs were found both where WIN sponsor units were integrated into the ES hierarchy and where WIN was "self-contained." The experience of sample states indicated that self-contained programs could succeed even in the face of host agency hostility but that WIN programs integrated in the ES hierarchy required the support or at least the neutrality of SESA leadership to be high performers. SAU coordinators in high performing WIN programs also tended to receive at least moderate support from their supervisors in the state welfare agency.

INTRODUCTION TO PART III

The preceding chapters have examined the impact of various types of environmental influences on state WIN programs. Now we turn our attention to these programs themselves, focusing throughout Part III on the set of items labeled "major determinants" in Figure 5. These are the elements which our research on WIN and other employment and training programs suggests may shape the structure and processes of the local delivery system and thus influence overall productivity.

For simplicity the diagram presents each of the major determinants as a separate, monolithic entity. In reality, the situation is more complex. Each of these major elements is itself composed of a cluster of items or constructs. For example, "overall structure" encompasses a number of subcomponents. These include the organizational configuration of SESA and welfare agencies (the "host agencies"); the location of WIN and SAU in these host agencies; the program's size; and the linkages between the WIN sponsor and SAU and between WIN central offices and their local service units.

In addition there may be interactions between major determinants. For example, the goals of the program are largely determined by national policy on WIN objectives. However, host agency and WIN program management may also influence WIN goals within each state. These goals may, in turn, affect the priority given to different tasks and the program's administrative structure. WIN leadership may also have some influence over program staffing, depending on the authority given them within their host agencies. Together, these factors may influence work unit characteristics and, thus, indirectly affect program performance.

The first chapter of Part III deals with how program goals are interpreted and the impact of differing goal interpretations on the priority and structuring of program tasks. Following chapters deal sequentially with state program structure and with leadership, management and staff characteristics. A concluding chapter focuses on the characteristics consistently present in the high performing state WIN programs.

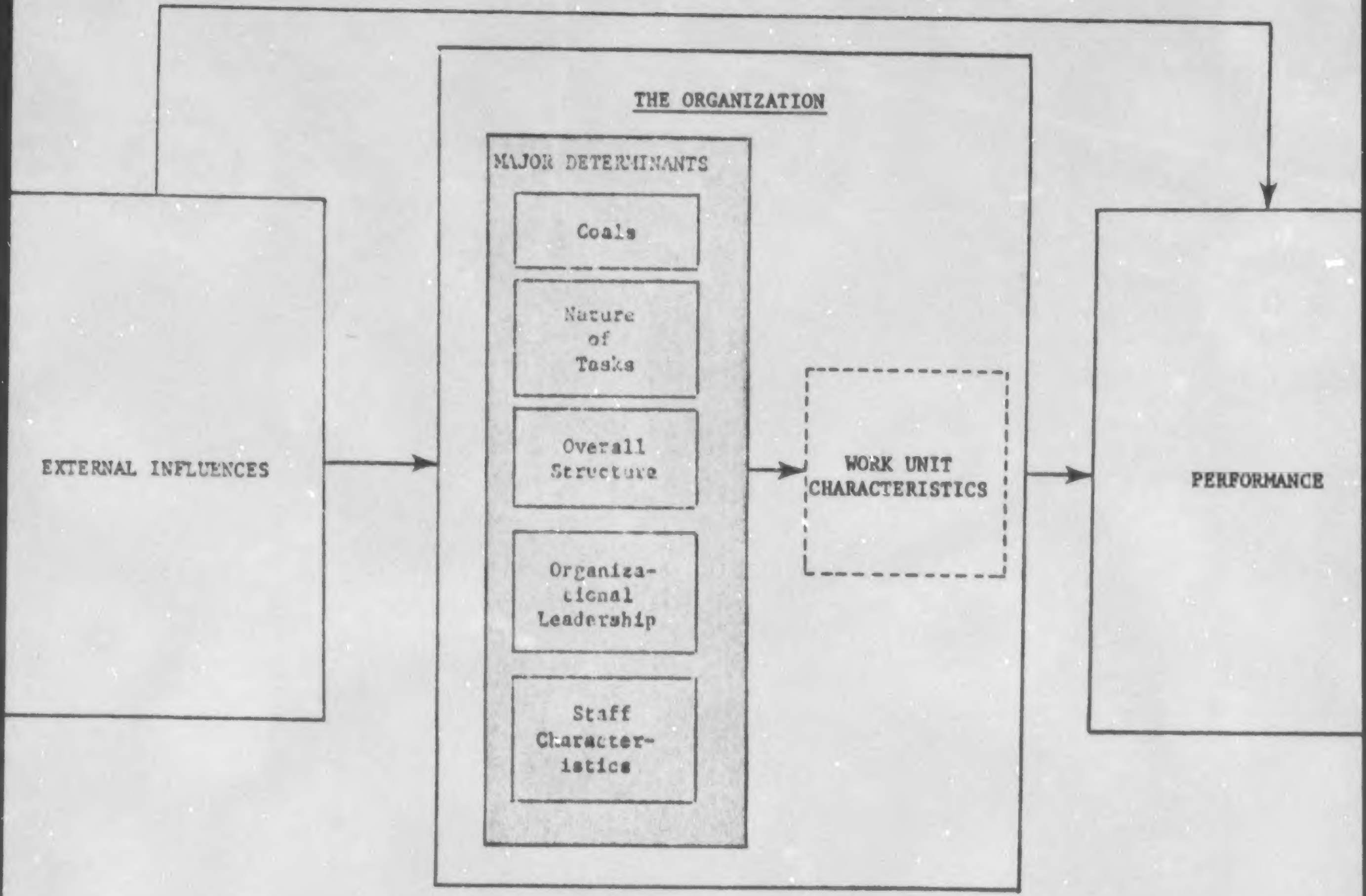
EXTERNAL INFLUENCES
THE ORGANIZATION
MAJOR DETERMINANTS
Goals
Nature of Tasks
Overall Structure
Organizational Leadership
Staff Characteristics
WORK UNIT CHARACTERISTICS
PERFORMANCE

Figure 5

Major Determinants of the Organization

CHAPTER 4

STATE PROGRAM GOALS

This chapter deals with how the goals of the WIN program are interpreted in the state organizations responsible for the program. The focus is less on what national policy documents or allocation formulae say and more on the goals and purposes of state WIN staff and host organizations in operating the program.

There may be important differences between national and state interpretations of WIN goals. State or local WIN personnel may be unaware of national priorities. Even if they are aware, they may fail to apply them in training staff, allocating resources, structuring reporting systems and assessing performance. Beyond that, the employment security and welfare agencies in which the programs are housed may have their own priorities which compete with those of the national program.

The goals of the organization that runs the WIN program are important because they may influence program organization and tasks. In the WIN program variation in structure and tasks is presumably limited by the WIN Handbook which prescribes relatively uniform procedures and by the system of federal oversight. Nevertheless, variations in structure and priorities are clearly observable. It is reasonable to suspect that these variations might influence program productivity.

1. Recognition of National WIN Priorities

WIN Sponsor

During the course of our study, awareness of national program priorities changed. In our mail survey in the spring of 1977, none of the 51 state WIN coordinators correctly prioritized the four major performance measures in the WIN Allocation Formula (retention rate, job entry wage, job entries per staff and welfare savings). The overwhelming majority of state WIN coordinators indicated that job entries per staff was the most important performance measure. This finding was reported during the summer of 1977.

Fieldwork conducted in the ten sample states from the fall of 1977 through the spring of 1978 yielded a different and changing picture. Several states had, in fact, been aware for some months of the relative priorities associated with the four performance factors. Other states had only very recently received clarification on relative priorities through memoranda or briefings by the regional office. Eight of the ten state WIN sponsor coordinators either had read the WIN Allocation Formula handbook, had been briefed by regional office personnel on the formula, or both. With one exception, each of these eight described the allocation formula performance priorities correctly, indicating that the quality of jobs (retention rate and entry wage rate) were weighted most heavily, followed by the number of job entries. One of the remaining two program directors had heard something about the formula but was misinformed about its priorities, and identified placements as "the name of the game." The other knew nothing about the formula and its messages.

In eight states, central office staff's perception of priorities was identical to that of the coordinator. However, in one state (a low performer) the coordinator had failed to inform them. His staff had been told that placements were most important.

Table 7 shows the local WIN sponsor staff awareness of goal and performance measures state-wide. As in earlier tables the ten sample states are indicated by the letters A through J and arrayed by performance, with the high performers at the left and the low performers at the right.

Table 7

WIN Sponsor Staff
Awareness of WIN Goals and Performance Measures

	A	B	C	D	E	F	G	H	I	J
General agreement that quality of jobs at least as important as number of job entries.	X	X	X	X				X	X	
General agreement that "placements" were paramount.					X	X	X			X

The staff in high performing programs had a clearer perception of national program goals. Workers in some of those states described training sessions or meetings in which they had been instructed on the formula and its implications for their activities. Service deliverers made it clear that it was important for them not only to place registrants in jobs but also to place them in jobs that had longer term prospects and relatively higher wage rates.

In two of the states where local staff were unaware of national priorities and were emphasizing placement, the state WIN coordinators themselves were not clear about the priorities. In a third the program head had chosen not to communicate his knowledge of the formula to subordinates. The fourth was a special case, the state described earlier where WIN was used to eliminate men from the welfare roles. At the behest of the state program coordinator, local level managers were preoccupied with "zeroing-out" their AFDC-U caseload, and relatively less resources were spent on the much more sizeable registrant pool of welfare women.

SAU

Table 8 shows SAU supervisor and staff perceptions of the program's goals and performance. With one exception, they were generally identical with those of WIN sponsor staff. In the one state where goal consensus between the WIN sponsor and SAU did not exist, the WIN sponsor was running a "straight placement" operation. The SAU director knew the national priorities and had successfully communicated a concern for quality of jobs to SAU workers throughout the state. As a result they spoke critically of the "numbers game" being played by their counterparts in WIN units. Individual SAU personnel in several other states where the WIN sponsor was emphasizing job entries also voiced a concern about quality of jobs, but this flowed from their own concern about clients rather than an awareness of the allocation formula or national program priorities.

Table 8

SAU Perceptions of
WIN Goals and Performance Measures

	A	B	C	D	E	F	G	H	I	J
Quality of placements at least as important as number of job entries.	X	X	X	X			X	X	X	
Placement is the major emphasis.					X	X				X

There were also important differences in how SAU personnel defined the SAU's mission. Those results appear in Table 9. In the four highest performing states, SAU supervisors and staff tended to see their function not only as assisting the WIN sponsor by providing social services to registrants but also as creating coordinating linkages to the IMU and Title XX. By contrast, in three low performing programs, SAU workers defined their objective exclusively as providing social services and doing paperwork for WIN.

Table 9

SAU Definition of
Its Own Goals and Mission

	A	B	C	D	E	F	G	H	I	J
Assisting WIN sponsor in moving registtrants into jobs by providing social services, eliminating barriers and acting as coordinating link to IMU and Title XX.	X	X	X	X						
Providing timely social services and paperwork for WIN as requested. Not important to work with other welfare units on behalf of WIN.							X	X		X
Moving recipients off welfare through private sector placement--especially AFDC-U cases.					X	X			X	

In three states, the SAU perceived their mission as moving recipients--especially AFDC-U recipients--off welfare through direct placement activities. One of these was the state described earlier where the WIN sponsor also was working toward the same, state-ordained goal. In this state all WIN services were delivered through the state welfare department.

A similar but less pronounced situation existed in another state where the welfare director and the SAU assigned a high priority to reducing AFDC-U caseloads. With the reluctant agreement of the WIN sponsor, SAU staff in some locations had direct access to the ES job bank and were making direct placements of welfare fathers. In a third state, the SAU chief had previously administered Title V and a state-sponsored welfare placement program. He thought his own organization was more capable of the placement function than the WIN sponsor, and the SAU was conducting placement activities in some parts of the state.

2. Goal Displacement

The goals and priorities of the "host" organization can compete with or displace those of the WIN program. In short, how much do employment security and welfare agencies utilize WIN resources and personnel to serve purposes other than those of the program? To the host organization, some degree of goal displacement may be advantageous or unavoidable. From the WIN program's viewpoint, however, it may lead to diversion of resources and reduced productivity.

Goal displacement took different forms in different states. In the cases already described, it meant excessive priority to reducing AFDC-U caseloads. Five other forms of goal displacement (often working in combination) were also identified. They involved utilizing the program as:

- A source of general overhead funds for the host agency.
- A "dumping ground" for incompetent personnel.
- A means of absorbing employment service budget cuts.
- A source of political patronage.
- A resource supplement to other programs.

In two states interview data indicated that a substantial fraction of WIN sponsor program funds was being diverted at the headquarters level. The amounts apparently involved went well beyond the normal proportion of overhead and administrative costs usually chargeable to WIN. Respondents believed the resources were paying for personnel unconnected to WIN that worked in the SESA director's office or other agency-wide units.

In at least five states the program had served to some degree as a dumping ground for inferior employment service personnel. In some cases, this had been one of the ways the program had been staffed initially. In others, it was a more recent development. Dumping varied from standard operational procedure in some states to rare episodes in others.

In three states the WIN program was used to absorb ES staff cuts. In some cases WIN sponsor positions were kept unfilled to accommodate future staff shifts. In others ES staff were put to work on WIN when poor ES productivity led to budget reductions under the USES resource allocation formula. In one episode, a large proportion of the WIN staff was laid off to make room for ES staff with more seniority.

As described in Chapter 3, in half the states in our sample, it was clear that WIN, like other programs, was used as a source of political patronage. Both personnel and capital expenditures were usually involved. In the most flagrant cases respondents told of individuals that showed up one morning with the message they were "told to report to work here"--to the complete surprise of the unit manager. In one state, respondents reported that all new hires had to be cleared by party officials "in the state house" and that not only the applicant but also his or her parents' party affiliation was checked prior to approval. In four states little or no patronage use of the program was reported.

WIN was used as a resource supplement to another program in one notable case. The SESA played a major role in service delivery and administration of CETA throughout the state. Agency leaders saw CETA as the program of the future and attached high priority to it. Simultaneously, they assigned relatively low priority to WIN out of a concern that trying to place too many welfare recipients might damage their credibility with private employers and hurt their high performing mainstream ES operation. CETA/WIN units were organized from the central office to service delivery levels to operate both programs. Organizational priorities and structure led to the use of WIN-funded staff on CETA functions. In some local units interviews suggested that nearly two-thirds of WIN staff resources were used on CETA.

However, this situation was not without some benefits to WIN participants. Due in part to the resource diversion to CETA, the WIN program was relatively ineffective when compared to others in its region using generally accepted WIN performance measures. However, at the time of our fieldwork a far higher proportion of CETA PSE jobs was going to welfare recipients in this state than in any other in our sample. For example, in some areas 65 percent of all Title VI-A project slots had gone to welfare recipients. Some respondents attributed this fact to the CETA/WIN unit structure. From the organization's viewpoint, by putting welfare recipients in PSE jobs it was doing something to help them and to address political pressures to put welfare recipients to work. At the same time it was able to divert resources to one high priority program (CETA) and avoid hurting another (ES).

Similar examples of resource diversion occurred on the SAU side, especially in states where welfare was county-administered. Some county SAU staff whose salaries were fully paid by WIN funds reportedly were used on non-WIN Title XX cases or daycare functions. However, blatant diversion was less common in SAU's.

Goal definition and goal displacement were obviously linked to other important constructs. The type of resource diversion to CETA just described appears easier if the WIN program is integrated into other SESA programs rather than run through its own separate, self-contained structure and chain-of-command. However, self-contained WIN programs were no more immune to other forms of goal displacement (patronage, dumping and absorption of ES budget cuts) than were those that were administered through an integrated ES structure. The attitudes of top SESA and welfare agency officials toward WIN (discussed in Chapter 6) seem more instrumental than structural characteristics in explaining the frequency and extent of such occurrences. It is worth noting here, however, that analysis revealed that in all four of the high performing state programs little displacement occurred, while in the declining performer it was substantial. In three of the five low performers displacement was substantial, and in the other two it was moderate.

CHAPTER 5

STATE PROGRAM STRUCTURE

This chapter deals with the overall structure of state WIN programs. It considers first how big they are, what affects their size, and whether size is related to productivity. Then it deals with how the program is tied to the structure of its host agencies and how different levels of the program's hierarchy are connected to each other.

1. Program Size

Program size is worthy of study on at least two grounds. First, size may well affect organizational structure. As the size of an organization increases, management and control problems also grow. This can cause the organization to be divided into more units and more administrative layers. However, this solution has adverse side effects, most notably, increased difficulty in coordination and communication among the more numerous layers and units.

Larger organizations are likely to have more complex structures.* This increased complexity can cause inefficiencies which, in turn, make larger operations less productive than smaller ones. On the other hand, economies of scale may occur which offset the effect of complexity and make larger operations more productive.

In the case of WIN, we first describe the differences in program size that exist and the causes of those differences. Second, we want to see if differences in size affect structure. Lastly, we want to analyze the relationship between size and productivity.

There are immense variations in WIN program size. In FY 1977 the average state program had 169 WIN sponsor staff positions to serve 29,970 registrants. However, the number of WIN sponsor staff ranged from 17 in one state to 1,133 in another. The largest WIN program served 231,000 registrants, while the smallest had a registrant pool of 819.

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*Blau and Schoenherr (1971), Chapter 7, showed this to be generally true in their study of state employment services.

Similar extremes of variation were present in state SAU's. The number of SAU full-time staff equivalents ranged from three in the smallest program to 653 in the largest. The average number of SAU staff equivalents across all states was 86.

WIN Sponsor

Program size as measured by WIN sponsor and SAU staffing levels are, of course, fundamentally determined by federal budget allocations to the states. These, in turn, are most heavily influenced by the estimated number of WIN registrants within a state. In our analysis of the WIN Allocation Formula, 86 percent of the variation in discretionary allocations to state programs in FY 1977 was explained by differences between states in the number of potential registrants.* The entire amount of mandatory allocations is based on number of registrants.

Even though WIN sponsor funding is entirely federal, state level factors could affect their eventual expenditure and thus staffing levels. As described in Chapter 3, in half of the sample states general hiring freezes aimed at conserving state revenues could shrink the WIN work force. In addition, the program's capacity to operate near full staffing levels was hampered by the speed with which state personnel systems fill vacancies.

Beyond that, host agency attitudes could affect staffing levels. In the most extreme case, an ES director who held both WIN and its director in low regard directed that many WIN positions be kept unfilled. The program returned sizeable unexpended balances to the federal government at year's end. As a result, the WIN sponsor side of the program was far smaller than federal officials had intended. In fact, uniquely in our sample, the total SAU staff in this state was larger than the WIN sponsor staff.

SAU

On the SAU side, the situation was even more complicated. While WIN is officially described as a joint program administered by both DOL and HEW, in terms of resources it clearly was not a 50-50 partnership at the state and local levels. In FY 1977 and FY 1978, about 30-35 percent of WIN funds nationally were to be allocated to the SAU, with the amount to be matched by state funds on a 90-10 basis. As noted in Chapter 3, this meant that the SAU budget passed through regular legislative and executive budget review. In several instances, full matches were not approved.

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*Mitchell _et al_. (1977a), p. 13.

In addition, state and county departments of welfare did not approve filling of all SAU staff positions in most sample states. Usually this was because WIN had low priority within the agency. In some places this was because welfare personnel believed the main role of welfare was income maintenance and saw WIN as part of a social services strategy to which they were hostile. Elsewhere WIN was viewed as punitive, unnecessary, or useless. In such places welfare administrators refused to authorize staff positions for SAU or to put social workers into WIN slots, feeling that such personnel would be wasted. Furthermore, because of the limited role the SAU often played in WIN, welfare administrators in many non-metropolitan areas assigned SAU workers non-WIN responsibilities as well.

For these various reasons SAU's in many states were not fully staffed. Until unified budgeting for WIN, many SAU's returned money each year to the federal government. However, in some states the advent of unified WIN budgeting meant that SAU funds that would not have been released by legislatures or welfare departments were transferred to the WIN sponsor rather than turned back to the regional office. Thus, in most states there was even less than the 70-30 split that national allocation procedures suggest. This was reflected in the relative leadership role taken by state level WIN sponsor and SAU officials as well as in the size and operation of local SAU units.

Effects on Structure

Analysis of the organization charts of the ten sample programs revealed little relationship between program size and such structural characteristics as number of local units and number of administrative layers. The effect of scale on number of local WIN units was apparent only at the extremes. Thus, the two largest programs in numbers of registrants ranked first and third in number of service units, while the two smallest programs ranked ninth and tenth. Beyond that no patterns were discernible.

Size, Staffing Intensity and Productivity

As noted at the outset of this chapter, program size could be hypothesized to have either a positive or negative influence on WIN performance. On the one hand, as program size increases, specialization and division of labor could result in greater efficiency. The net effect could be improved productivity. On the other hand, increased scale could lead to loss of management control and decreased accountability. Resources expended on overhead functions could increase at a faster rate than overall staffing levels. A smaller proportion of the program's total staff would thus be providing direct services to registrants. This could mean a decrease in productivity.

Statistical analysis conducted on data for WIN programs in 50 states and the District of Columbia, however, showed no significant relationship between program size (number of registrants) and productivity (job entries per staff).* In other words, large programs on average did just as well in their placement productivity as did small programs. There were no discernible scale effects on WIN productivity.

Staffing intensity--measured by staff/registrant ratios--could also be hypothesized to have independent effects on WIN performance. A reasonable hypothesis would be that as the number of staff rises relative to the number of registrants, the intensity of services and program performance also increase.

The issue of staffing intensity can be approached a number of ways. Do state WIN programs have roughly similar staff/registrant ratios? If not, does the proportion of registrants finding employment in state WIN programs increase as their staff/registrant ratios increase? Does WIN performance--measured by retention rate, job entry wage rate, job entries per staff and welfare savings--similarly increase with greater staff intensity?

Data on staff/registrant ratios indicate that they vary substantially across WIN programs. For WIN sponsors, the average number of authorized positions per 100 registrants (for all states) was .85 for FY 1977, with a low of .33 and a high of 2.06. Our ten study states included one with a staff/registrant ratio of .40 and another with a ratio of 1.74. Similar differences existed for SAU staff/registrant ratios where the national mean in FY 1977 was .55, with the lowest ratio at .10 and the highest at 1.95. Our study states included a low of .11 and a high of 1.29.

Consistent with our expectations, statistical analysis of 51 state programs showed a very strong positive correlation (r=.819) between staffing intensity and the proportion of registrants finding jobs. As staffing intensity (staff/registrant ratios) increases among state WIN programs, the proportion of registrants that enter jobs also systematically increases. Thus the disparity among state WIN programs on staffing intensity has a significant influence on the proportion of registrants that enter employment. However, this does not mean that by increasing state staffing levels, productivity per staff would also necessarily increase.

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*"Significance" throughout Part III is defined in terms of a .10 level of significance. That is, we would accept as significant the association between independent and dependent variables shown by correlation analysis if the probability of obtaining a simple correlation that high or higher by chance was 10 percent or less.

Analysis of staff/registrant ratios with three of the main WIN performance measures (job entries per staff, retention rate and standardized job entry wage) showed relatively low and insignificant correlations.* While this suggests a lack of relationship between staffing intensity and overall productivity, results may well depend less on how many staff are available than the way in which they are organized and function at the local service delivery level. These issues will be discussed further in Chapters 8 and 10 through 13.

2. Structural Arrangements

Figure 6 presents two types of WIN sponsor organizations. In the example labeled "self-contained" the WIN central office relates directly to WIN service delivery units through its own chain of command. In the "integrated" case the formal lines of authority run through the mainstream employment service hierarchy.

Two SAU organization charts are shown in Figure 7. The diagram on the left illustrates typical SAU arrangements in states where welfare programs are operated directly by the state welfare department. The one

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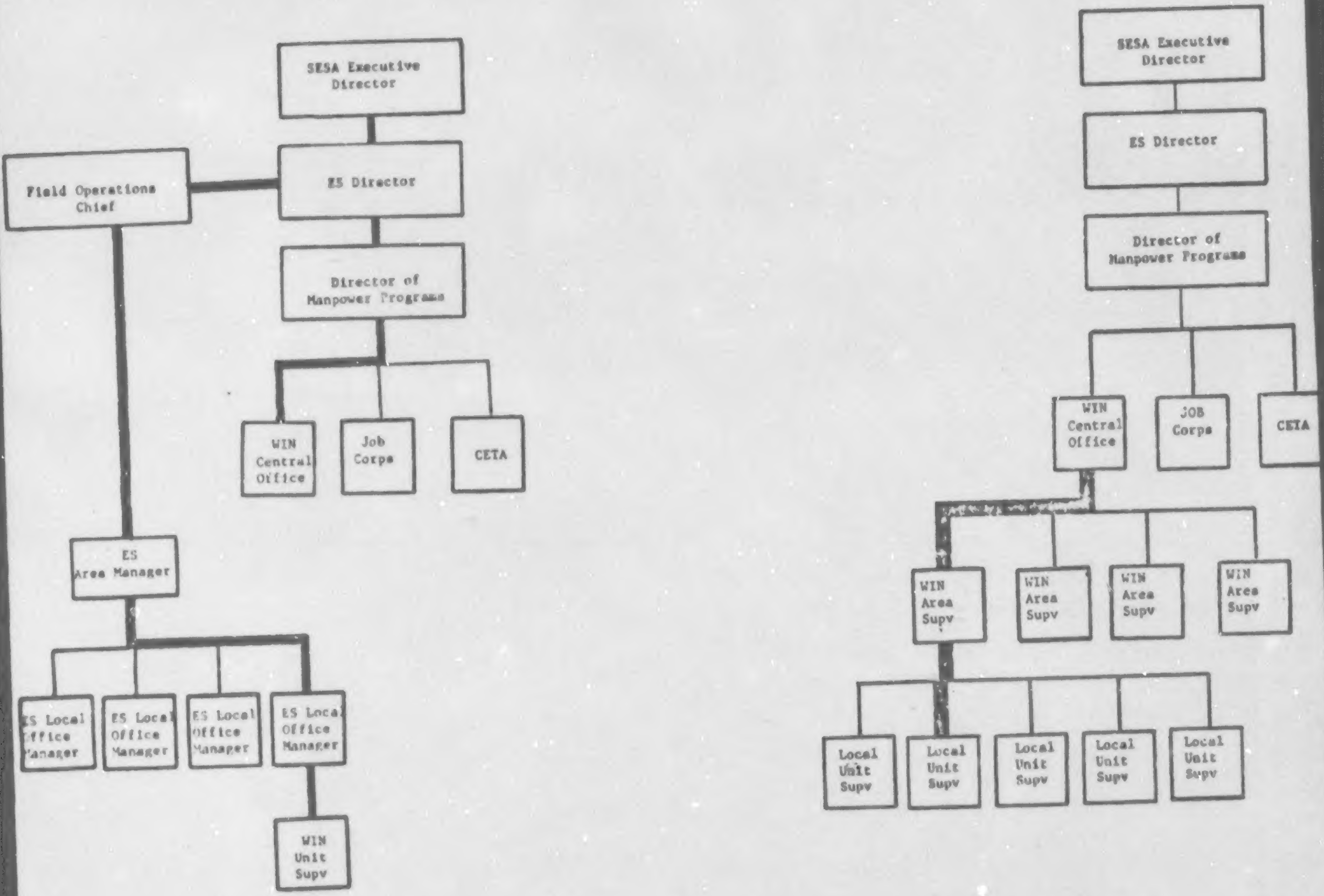
*Our analysis resulted in a strong correlation between staff/registrant ratios and welfare grant reductions. However, there is good reason to believe that this was a spurious correlation. First, the only way that WIN local staff can influence welfare savings is by placing registrants or providing them with the incentive and/or job seeking skills to find their own employment. Thus, if staffing intensity were to influence welfare savings, it would have to be through such intermediary variables as job entries, job entry wage rates and retention on the job. This is not the case since staffing intensity has no significant relationship to these intermediary variables.

Second, a spurious correlation might result from both variables--staff/registrant ratios and welfare grant reductions--being strongly correlated with the same environmental variables. Average employer size and population density were two such variables.


SESA Executive Director
ES Director
Field Operations Chief
Director of Manpower Programs
WIN Central Office
Job Corps
CETA
ES Area Manager
ES Local Office Manager
ES Local Office Manager
ES Local Office Manager
ES Local Office Manager
WIN Unit Supv
SESA Executive Director
ES Director
Director of Manpower Programs
WIN Central Office
JOB Corps
CETA
WIN Area Supv
WIN Area Supv
WIN Area Supv
WIN Area Supv
Local Unit Supv
Local Unit Supv
Local Unit Supv
Local Unit Supv
Local Unit Supv

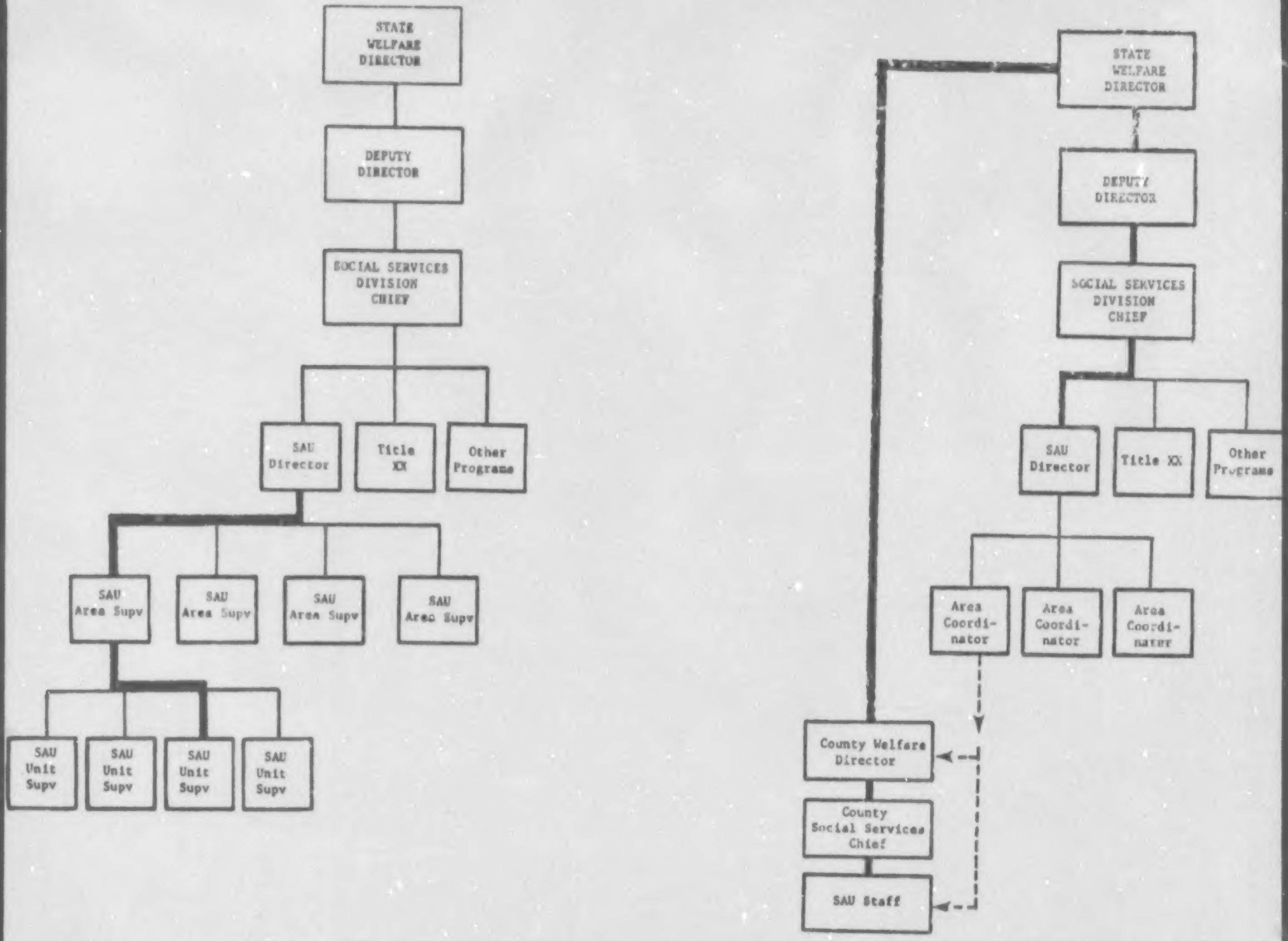
"Integrated into ES Structure"

"Self-contained"

Figure 6

Typical WIN Sponsor Organization Charts

(Thick lines show formal line of authority)


STATE WELFARE DIRECTOR
DEPUTY DIRECTOR
SOCIAL SERVICES DIVISION CHIEF
SAU Director
Title XX
Other Programs
SAU Area Supv
SAU Area Supv
SAU Area Supv
SAU Area Supv
SAU Unit Supv
SAU Unit Supv
SAU Unit Supv
SAU Unit Supv
STATE WELFARE DIRECTOR
DEPUTY DIRECTOR
SOCIAL SERVICES DIVISION CHIEF
SAU Director
Title XX
Other Programs
Area Coordinator
Area Coordinator
Area Coordinator
County Welfare Director
County Social Services Chief
SAU Staff

State-run System

County-run System

Figure 7

Typical SAU Organization Charts

(Thick lines show formal line of authority) on the right depicts those arrangements where the county welfare agencies have the primary responsibility for actual service delivery. These four diagrams are "typical" in that they represent four types of general models drawn from our examination of ten programs. They permit us to discuss aspects of organizational arrangements without getting bogged down in the intricate details of each of ten cases.

It should be understood that no one state in this study conformed perfectly to a particular diagram. For example, "self-contained" and "integrated" structures co-existed in one state program where the WIN coordinator had line authority over most of the local units but not the very large metropolitan ones. Similarly, county welfare agencies delivered services in most of another state, but programs in one large metropolitan county were directly operated by the state social services department. In a third state the SESA was only the titular WIN sponsor. Both WIN and SAU functions were delivered at the local level by the welfare agency. Table 10 shows host agency arrangements for 51 WIN programs and the ten states in this study.

Table 10

WIN Sponsor and SAU Host Agency Arrangements

	Nationally	Ten Study States
Sponsor Arrangement		
• Separate self-contained WIN structure within the SESA.	12	4
• WIN integrated into the ES structure within the SESA.	36	5
• Other		
--SESA is sponsor, operations subcontracted to welfare department.	1	1
--Governor's manpower office is sponsor and administrator.	1	-
--State planning office is sponsor, operations subcontracted to SESA.	1	-
SAU Arrangement		
• SAU in a state-administered welfare program.	32	5
• SAU in a county-administered welfare program.	19	5

Host Bureau

Within the SESA headquarters, the WIN central offices in the states studied were most frequently housed (five cases) in the same bureau as CETA services and Job Corps. In three other states the WIN central office reported directly to the director of the employment service. In one case the program had equal organizational standing with the ES and Unemployment Compensation, and the WIN director reported directly to the SESA executive director.

Within the state welfare department, the SAU was usually located (seven cases) in the division that had responsibility for the Title XX program. In three states the SAU was in the same division that planned and operated a state workfare program for recipients of general assistance. In several cases the host bureau administered special target group (migrant, refugee, native American) programs or vocational rehabilitation.

Our analysis showed no relationship between host bureau location and program performance. With few exceptions the location of the WIN program within the SESA or state welfare department did not appear to affect its linkages to other employment or welfare programs.

Vertical Linkages

Similarly, we found no relationship between program performance and the organizational "distance" from the WIN and SAU central offices to their host agency's executive director. One state WIN coordinator related directly to the SESA executive director. The others were separated by between one and three administrative layers. Only one SAU head was immediately below the key operational officer in his agency. In most cases, a single administrative layer (the social services division chief) separated them. However, in two instances there were at least three intervening individuals.

Where WIN operations were "integrated" within the ES chain of command, the formal line of authority to the local level might include five to seven individuals. Communications might first flow upward in the central office through a manpower program coordinator, the ES director and a field operations chief. Then messages might move downward to the field through an ES area administrator and an ES local office manager before reaching a WIN unit supervisor. In some cases, this pattern was supplemented by extensive informal but direct communications between state level and local WIN personnel, including frequent telephone conversations, field visits and meetings. In three states studied, roving "field specialists" were used to clarify communications as well as provide technical assistance.

Where WIN was "self-contained" in the SESA, matters were usually simpler. On administrative matters such as office space and final personnel actions, the state WIN coordinator still had to work through the SESA hierarchy. However, on substantive program issues his or her authority ran directly to WIN workers in the field. With one exception, communications passed through no more than one other layer (an area or district WIN supervisor) before reaching the local unit supervisor.

On the SAU side, differences between state and county-run systems were notable. In the five state-run welfare systems we studied, the state SAU coordinator related directly to service deliverers, usually through area supervisors. In three of these, the SAU coordinator had formal line authority over field staff. In the other two states, the coordinators had informal but direct lines of communication on SAU matters, even though formal lines of authority ran out to the field through an agency-wide field operations office.

In the five county-run welfare systems, however, the situation was different since the "sovereignty" of the counties had to be considered. In two of these states the SAU coordinators were independent within the state welfare system and could communicate directly to the field. However, this meant that they had to relate separately to each autonomous county welfare director and that they could communicate with SAU service deliverers only through county officials. In the other three county-run states, formal communication to the field went up through the state welfare agency and down through formal field operations to county welfare boards or directors. The SAU coordinators and their area administrators were keenly aware that they had no direct authority over local staff. Their mode of behavior reflected the fact that they had to rely more on persuasion and advice than direction if they were to achieve their objectives.

Horizontal Differentiation

The term "horizontal differentiation" refers to the number of units at each level within an organization. In eight of the ten WIN sponsors and seven SAU's, some area or district level existed. Within those eight the number of area level administrative supervisors ranged from a high of ten to a low of one. The number of sponsor service units ranged from 88 to five. The number of units was reportedly influenced not only by program size but also by geography, the size of registrant pools in particular counties, the receptivity of county welfare offiais to WIN, the availability of space in ES offices, and the preferences of WIN management regarding small or large units.

The number of local SAU units tended to be a function of one of two factors--the number of WIN sponsor units or the number of counties.

Where welfare was state-run, the number of SAU's tended to match the number of WIN units. Usually, one SAU unit and one WIN unit were a service delivery "pair." In states where the counties administered welfare, most counties had at least one individual responsible for SAU functions, so the number of SAU "units" tended to be larger. In counties with more than one local WIN unit, SAU staff might have dealt with more than one sponsor office. Or, when a local WIN office covered more than one county, sponsor staff may have had to coordinate with more than one county SAU.

Differences in horizontal structure, like size and vertical configuration, did not appear to be systematically associated with variation in performance.

CHAPTER 6

LEADERSHIP AND MANAGEMENT

This chapter examines state-level program and organizational leadership. We must consider both program and organizational leadership because state WIN programs are not autonomous. They are part of much larger organizations with far bigger programs. The attitudes and priorities of the men and women who preside over those employment security and welfare agencies may be as crucial to the program's success as the characteristics of the WIN program directors themselves. The chapter is organized to answer six questions:

- Who are state WIN sponsor and SAU coordinators?
- How do they conduct management functions?
- What are their management styles and methods?
- What are the characteristics of the program's staff?
- How do the sponsor and SAU coordinators relate to each other?
- How do the leaders of host organizations influence WIN programs?

In the course of answering these questions, patterns will be identified that appear to link program performance to various aspects of leadership in combination with other organizational characteristics.

1. Who Are State WIN Sponsor and SAU Coordinators?

Educational Background

The WIN sponsor coordinators in our ten sample states were extremely diverse in disciplinary background. All had college degrees. They included individuals trained in public administration, psychology, divinity, textile design, law and accounting. The SAU coordinators, however, were somewhat more homogeneous. At least half held both bachelor's and master's degrees in social work or sociology.

Prior Work Experience

All were long term employees of their agencies and very experienced in working with welfare recipients or the disadvantaged. Only one WIN sponsor coordinator had worked in the employment security agency less than ten years. The SAU coordinators had from six to 25 years of experience in social services. Strikingly, despite their relatively long tenure in the SESA, only two of the sponsor coordinators had extensive experience in mainstream employment service operations. Most had worked almost exclusively in prior human resource development (HRD), OEO or youth programs. All of the SAU coordinators had either been Title V administrators, county welfare administrators, caseworkers or staff in training programs for the disadvantaged prior to joining WIN.

Political Connections

With only two exceptions, none of the SAU or WIN sponsor coordinators in our sample were reported to have personal connections to a political or community constituency outside their agency. The circumstances of their appointments suggested that none could be termed either "political executives" or patronage appointees. In short, all were career civil servants.

Stable Leadership

What is remarkable about these program heads is their length of service in their current positions. In state agencies where turnover, lateral and upward movement is sometimes high, this group of individuals had stayed in the same place a long time. Only three of the ten WIN sponsor coordinators had been in their jobs two years or less, and one of them had previously been on the WIN central office staff. On the SAU side stability was even greater--only one state coordinator had held that job less than two years.

With relative longevity on both sides, the effect has been to create stable "pairs" of leaders for the program. In four out of ten cases the SAU and WIN sponsor coordinators had been a pair since the beginning of the program or the creation of the SAU. In another case they had been together five years, and four others about two years.

2. How Do They Conduct Management Functions?

Management of a program such as WIN involves the performance of certain explicit tasks. How these tasks are conducted may well have an important impact on the program's eventual performance. Figure 8 portrays the main tasks of the WIN and SAU central offices and state coordinators, as implied by the *WIN Handbook*. These functions may be summarized as:

- Goal definition.
- Planning and budgeting.
- Training of managers, supervisors and staff.
- Operation of reporting systems.
- Monitoring and evaluation.
- Coordination with other relevant programs and organizations.

Chapter 4 has already examined the issue of goals, and Chapter 3 has dealt with state-level interorganizational coordination. Here we deal with the way in which state coordinators and their central office staff execute their planning/budgeting, training, reporting system, and monitoring/evaluating responsibilities. The functions of intermediate layers of administration, such as area offices, are also discussed.

Planning and Budgeting

Central office interactions around *development of the state plan* varied greatly. At one extreme were four states (three high performers and the low performer that emphasized AFDC-U) in which SAU and WIN sponsor personnel met frequently and together developed a single plan, incorporating complementary WIN sponsor and SAU activity estimates, goals and functions. At the other extreme were four programs (three low performers and the declining performer) in which WIN and SAU central office staff had minimal contact. They met the bare minimum planning requirements, simply submitting as their plan the compilation of independently estimated activity levels generated by the two units. In fact, in one case the WIN sponsor and SAU submitted separate plans.

Between these extremes were two programs in which SAU and WIN sponsor staff conferred about the state plan. In one case they functioned

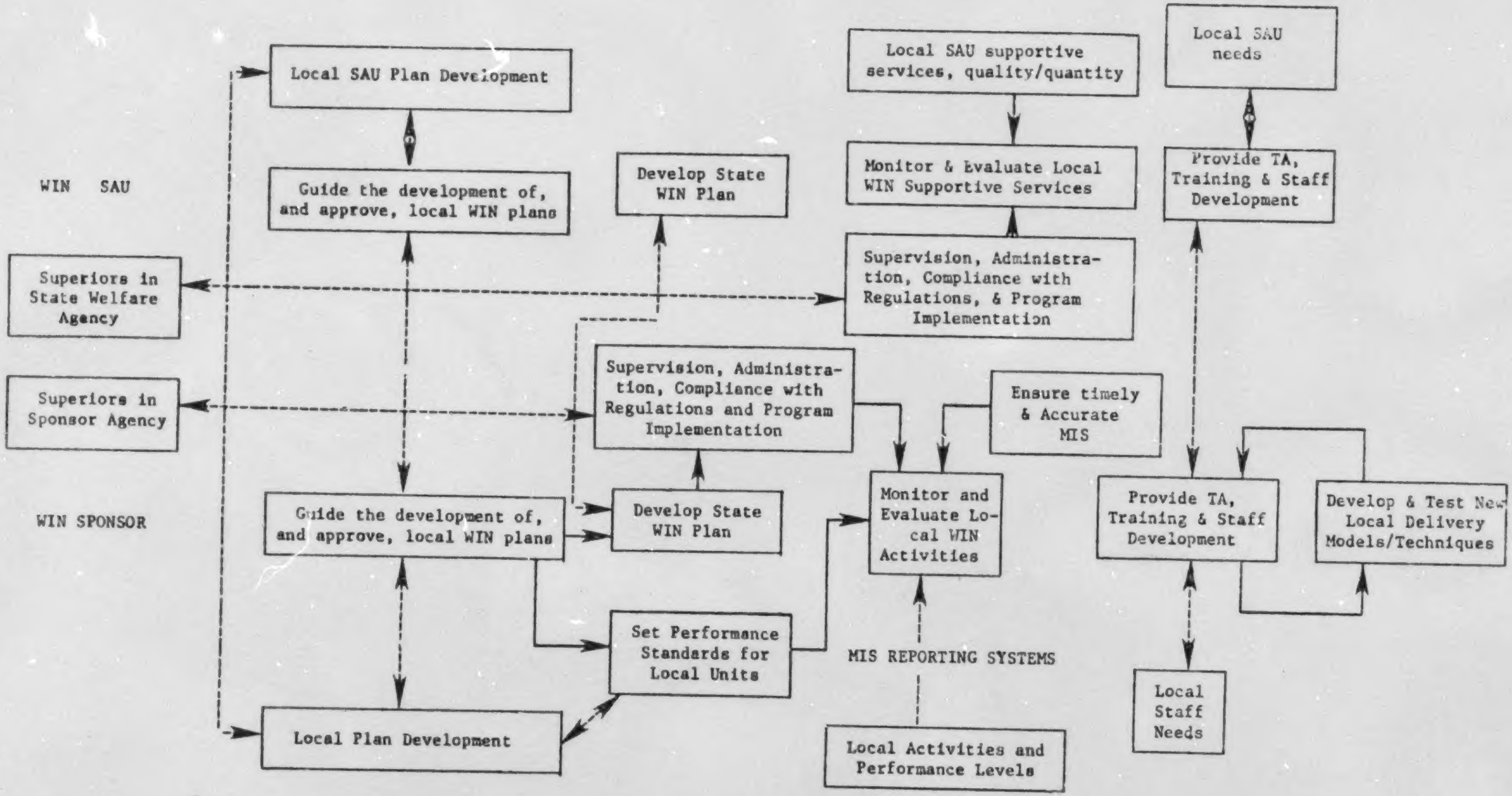

WIN SAU
WIN SPONSOR
Local SAU Plan Development
Guide the development of, and approve, local WIN plans
Develop State WIN Plan
Local SAU supportive services, quality/quantity
Monitor & Evaluate Local WIN Supportive Services
Supervision, Administration, Compliance with Regulations, & Program Implementation
Local SAU needs
Provide TA, Training & Staff Development
Superiors in State Welfare Agency
Superiors in Sponsor Agency
Supervision, Administration, Compliance with Regulations and Program Implementation
Ensure timely & Accurate MIS
Guide the development of, and approve, local WIN plans
Develop State WIN Plan
Monitor and Evaluate Local WIN Activities
Provide TA, Training & Staff Development
Develop & Test New Local Delivery Models/Techniques
Set Performance Standards for Local Units
MIS REPORTING SYSTEMS
Local Plan Development
Local Activities and Performance Levels
Local Staff Needs

Figure 8

Principal State Central Office Functions and Processes as equal partners, developing separate documents and then coming together to correct inconsistencies and merge the two parts into a single plan. In the other case, the SAU central office was understaffed and unable to take initiatives without clearance from superiors. The WIN sponsor took the lead in developing the plan--even to the point of obtaining the inputs of local SAU as well as WIN sponsor units.

Similar extremes were apparent in the unified budget process. In three high performing programs the two coordinators or their staff discussed funding needs together. They linked funding to activity estimates, new priorities and innovations in their annual plan and agreed on a division of funds that satisfied both parties. At the other extreme was a low performing program in which the WIN sponsor and the SAU, for whatever reason, saw no need to meet, discuss or negotiate. They simply split the budget in the same proportions as they had in the past.

In six states budgets were either (1) split on the basis of past spending patterns, (2) adjusted so that the sponsor could have funds that the SAU might otherwise turn back or (3) divided according to regional office suggestions. In two cases, the central offices invested some time and effort in this process, but in the others it seemed almost automatic.

Local WIN sponsor involvement in planning processes also varied, as is shown in Table 11. Some form of genuine "bottom-up" planning was occurring in four WIN sponsors, three of them high performers. In those

Table 11

Local WIN Unit Involvement in Planning Process

	A	B	C	D	E	F	G	H	I	J
Bottom-up planning.	X		X	X		X				
Local input to estimate derivation.							X	X*		
After-the-fact input to estimates.		X						X*	X	
Top-down quotas.					X					X

*Different type of involvement in different parts of the state cases the WIN cental office informed local units about the planning process and program issues for the new fiscal year. Local offices were expected to provide their estimates of activity levels, and final planning targets were negotiated between levels.

In all of one State and part of another, local units provided estimates of activity levels but might see them changed significantly without negotiation or an opportunity to register their concerns. In three other cases local units were given planned activity levels by superiors and asked for their suggestions, but there were indications that their inputs were not taken seriously. In two States no local inputs were sought at any stage. Local unit supervisors were simply handed activity quotas by their superiors.

A similar range of involvement was present in SAUs. In three states bottom-up planning prevailed, even though this was complicated by the fact that two of them had county-run welfare systems. In three cases (all high performers) local units were asked only to comment on the overall State plan or on central office expectations for the unit's performance. In four States (including three low performers), there were no local SAU inputs whatever to the annual plan.

Training

Table 12 illustrates the contrast in amount and variety of training that tended to differentiate high performing from low performing programs. A glance at the table tells much of the story. As the eye moves from left to right, from high to low performers, the amount and variety of training declines substantially.

A closer examination reveals between 18 and 22 different types of training in five programs (the four high performers and the AFDC-U oriented program). In four of these states many courses were conducted jointly. Considerable WIN-specific training was provided. In two of these states, procedures had been developed to identify demand for various types of training and to obtain feedback on the quality and usefulness of the training. WIN central office personnel took an active part in this training. Two high performers had formally designated WIN trainers in the central office. In the other cases training was provided jointly by central office staff and agency-wide trainers or by agency-wide trainers using curricula developed in collaboration with WIN officials.*

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*In addition, at least half the States utilized outside trainers from universities or private firms in some capacity.

Table 12

Types of Training Provided WIN Sponsor and SAU Staff in Ten Study States*

Types of Training	A	B	C	D	E
Training on Program Procedures and Functions:					
General WIN Procedures Training		X			
IMS (or development of job seeking skills)	X Joint			X Joint	
Joint Appraisal	X Joint		X Joint	X Joint	
Caseload Management (WIN Sponsor)	X				
Caseload Management (SAU)	X				
Client Needs Assessment	X Joint	X	X Joint	X Joint	
Adjudication Process	X Joint		X Joint	X Joint	
Employer Contacts/Job Development	X	X ES	X ES	X	
OJT/PSE Contact Writing and Monitoring	X		X	X	
Ways of Improving Coordination Between SAU/WIN/IMU	X Joint	X Joint		X Joint	
WIN Orientation (extensive, 1 week or more)	X			X	
WIN Orientation (less than a week)		Formal within ofc.	X ES		
General Skill Enhancement Training:					
"Psychological Skill" Upgrading	X				
Interviewing/Counseling Techniques	X Joint	X ES	X	X	
"Coping with Stress"		X for SAU by Welfare		X	
Hostile Client Approaches			X	X	
"Reality Therapy"			X		
Motivation Improvement Clinic				3 day session	
Formal Cross-Training on Other WIN Tasks and/or SESA or Welfare Functions	X		X	X	
Reporting, Monitoring and Evaluation System Training:					
ESARS and Error Corrections Instruction	X	X	X WIN	X	
Special JSMS Training for WIN Staff Only	X		X WIN		
JSMS Training for all SESA Staff, including WIN		X			
New DOT Retraining	X	X	X	X	
Form Completion	X	X	X WIN	X	
WAT and Key Performance Indicators	Informal	X	Informal	Informal (memo)	
Terminal Data Transmission and Access to Client Data Bases (Welfare)					
Training in "Topical" Areas:					
"Non-Traditional Jobs for Women	X Joint		X		one supervisor (out of state training)
Equal Employment Opportunity	X	quarterly			
Judge Richey decision	X	semi-annually			
Management and Supervisory Training:					
General Management/Supervisory Skills	Every 6 mos	X			
Financial Management Training (WIN)		X	X Joint	X	
Financial Management Training (SAU)		X	X Joint		one SAU spvr
"Value Systems" for Managers		X			
MBO Training			X		
Team Management and Problem Solving			X		
Tally of Types of Training	22 (7 joint)	18 (1 joint)	20 (5 joint)	18 (5 joint)	2 (single staff trng) (0 joint)

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*Data on types of training provided WIN staff were drawn from interviews with SESA, WIN and SAU officials and staff at the state, area and local program levels. If staff in more than one local office indicated a specific type of training had been provided in the past 12 months (verifying central and area office information) an "X" has been placed in the respective state's column. These tabulations only reflect the incidence of training, not its quality, or perceived usefulness. If an agency other than the WIN sponsor provided the training, their abbreviation is provided in the column (i.e., ES—employment service, RO—federal regional office). Joint SAU/WIN training sessions are identified by the word "joint". Most training on reporting systems is normally provided by the ES, so where WIN staff actually provided such training it is so indicated. Incidences where training was received by only a few staff are so annotated in the table. In addition to an initial question on training received, interviewees were asked other exploratory questions about training to facilitate their recall of events during the past 12 months.

Table 12

Types of Training Provided WIN Sponsor and SAU Staff in Ten Study States*

(Continued)

F	G	H	I	J
X		X		
X		X Joint		
	Planned,Joint			
X(Welfare)				
X(Welfare)				
X				
X		X RO		X Two central office staff
X	X one ofc			
X(Welfare)	X one ofc	X RO		
month(Welfare)				
	X ES			
X	X ES	X RO		
X				
X				
			X Joint	
X(Welfare)			X For SAU on Welfare functions	X for SAU on Welfare functions
X		X	X	X
		X	X	X
		X	X	
X		X	X	
		X	X Joint	
X				
X	X ES	X ES	X ES	X some mgrs
			X Joint	
			X Joint	
X 4-3 day sessions per year				
19 (since SAU and WIN in same welfare ofcs mostly joint training)	5 (0 joint)	11 (3 Joint)	7 (2 Joint)	4 (0 Joint)

In the remaining five cases, the situation was quite different. The variety and frequency of training were noticeably lower. In two of these states there was little emphasis on staff training in the SESA in general. Neither WIN sponsor nor SAU staff had received any formal, program-specific training recently. In three other states some training was provided. However, the training was rarely WIN-specific and was sometimes reported to be of limited utility. WIN sponsor and SAU personnel occasionally attended some form of general agency-wide training that was usually more oriented to the needs of their agency's other programs.

Reporting Systems

The ability of federal as well as state and local WIN managers to make management decisions based on information rather than subjective impressions hinges importantly on the accuracy and timeliness of reporting systems. Since federal allocations to the states are heavily based on reporting system data, such data is the financial lifeblood of the system. Thus, how well WIN central offices operate reporting systems is not only an indicator of their competence. It also affects how their program's performance is perceived by federal officials and how large a budget it receives.

Table 13 shows the status of ESARS in the ten sample WIN sponsors. As can be seen, high performers had relatively few problems with the system, while low performers tended to have more.

In two states (both high performers), there were only minimal problems. Data accurately reflected local unit activity levels and were generally used in management of the program. In those cases where hand tallies were kept, they were used only to verify ESARS accuracy. In four others (two high and two low performers), problems such as undercounts and overcounts existed, but procedures for correcting errors had been established and were being followed, and by the end of the fiscal year data was accurate. Hand tallies were maintained only to identify ESARS problems. Rarely were they used for managing the program. In two other low performers, ESARS data were quite inaccurate, and hand tallies were used as a more timely supplement to ESARS at both the state and local levels. The situation had improved somewhat in the past year. Finally, in two WIN sponsors (one declining and one low performer), ESARS was viewed as a hopeless problem that was beyond the control of WIN management. Hand tallies served as the only operative management information system.

The intensity of problems was related to how the state coordinator dealt with the management of reporting systems. In one state that had

Table 13

ESARS Problems

	A	B	C	D	E	F	G	H	I	J
Minimal problems. Data accurately reflects activity levels. Hand tallies not maintained or kept only to check ESARS.		X		X						
Some accuracy problems early in FY but corrected. By end of FY numbers accurately reflected local activity levels. Hand tallies maintained.	X		X*			X		X		
ESARS inaccurate and require much central office and local attention. Extensive hand tallies maintained and used to manage at both state and local levels. Some improvement in the last year.							X		X	
ESARS viewed as hopeless problem, beyond the control of WIN. Extensive hand tallies maintained as the operative reporting and MIS system.					X					X

*This state was in its first year of ESARS implementation for all local projects. At the end of the fiscal year transition period, hand tallies will no longer be maintained.

relatively few problems, WIN funded a system analyst and programmer to maintain full-time reporting system services for WIN. He attended all WIN central office staff meetings, provided reporting system training and instructional material for local WIN staff and performed technical assistance for individual local units. Three others funded a SESA reporting system specialist who attended WIN central office meetings and interacted closely with central office staff while providing training and technical assistance. Conversely, the four WIN sponsors with the most severe problems had given responsibility for ESARS to a clerk who had little interaction with the SESA's reporting systems specialists. Ironically, one of these was in a SESA that was among the most competent in the country in employment service reporting. However, this SESA accorded WIN low priority.

In the four high performing programs, SAU and IMU reporting systems were generally accurate and problem-free. Information on obtained employment and welfare grant reduction, important to the overall achievement of their program under federal performance measures, was being captured and reported directly to the WIN program. One of these programs was planning access to an automated reporting system.

Another program (a low performer) already was on such a system, but problems in the system were causing inaccurate counts on activity levels. This was the state where the welfare agency had both WIN sponsor and SAU responsibilities, and information on job entries were tabulated through the agency's system and then transferred to ESARS through an interface program. WIN data processing was given low priority, and state systems analysts could not work with the interface program since it was poorly documented and developed by an outside contractor.

In the remaining four programs (three low and one declining performer), problems were more serious. In two of them, undercounting on obtained employment and welfare savings occurred in some places due to poor linkages to IMU's but not in others. In the other two, underreporting or other inaccuracies were endemic due to troubled relationships between WIN and IMU's.

Linkages between the WIN sponsor and SAU/IMU reporting systems varied. In three high peformers, there was a computer interface between the two data systems or regular exchange of data tapes between organizations to identify and resolve data problems. The interface mechanism was perceived to be working. A fourth state had a similar approach but had yet to overcome serious interface problems. Two other states made manual comparisons of data in the two systems to identify possible coordination problems in reporting between the two organizations. Finally, in four programs (three low and one declining performer) interfacing was minimal or non-existent.

Monitoring and Evaluation

Table 14 shows the type of monitoring performed by WIN sponsors in the ten sample states. Central offices in high performing programs tended to undertake a more intensive and sophisticated monitoring process. Each of the central offices that monitored intensively looked beyond planned versus actual activity levels. They made extensive use of ESARS, CAS or other data to identify areas requiring attention. Each used a somewhat different mix of methods, including:

- Maintaining a relative performance ranking for each local unit in the state on a monthly basis.
- Monitoring operational data on local units daily or weekly, with the personal involvement of the state WIN coordinator.
- Maintaining and reviewing fiscal tracking reports by area or unit.
- Analysis of a wide variety of ESARS, CAS and other data to identify specific problem areas within local offices.
- Local office "self-appraisal" combined with "field technician" visits on a monthly basis.
- Field monitoring that scheduled central office personnel to visit each local unit on a quarterly or semiannual basis.
- Joint SAU/WIN sponsor monitoring visits to both local sponsor and SAU units. (In three states this was formal policy. In three others it occurred occasionally.)
- Field visit techniques that involved thorough review of procedures, paperwork, management practices and performance and that included feedback to, and comments by, both local supervisors and staff.

By contrast, in two other states WIN central office personnel might look at certain ESARS items, but analysis was minimal and site visits were infrequent. In another state, little analysis was also performed, but the WIN coordinator made frequent field visits. These, however, were largely formalities that involved little review of office procedures and functions, no feedback to the unit on ways of improving and no interaction

Table 14

Type of Monitoring Conducted by WIN Sponsors

	A	B	C	D	E	F	G	H	I	J
A. Central office staff continually review data on local units to identify problems. WIN coordinator personally involved. Frequent systematic on-site monitoring of local units. Site visits detailed and broad-ranging. Feedback to local units.	X	X	X	X					X (only recent)	
B. Monitoring data collected at central office, but little or no analysis to identify problems. Some local unit visits. Site visits either unanalytic or narrow in focus. No feedback suggesting improvements.						X		X		X
C. Infrequent visits to LO's, and less use of monitoring to improve operations.					X		X			

between the state coordinator and service deliverers on program issues. Finally, in two other states the state WIN coordinators devoted almost no time or effort to monitoring local program data, analyzing local operations or field visiting.

SAU state level monitoring tended to fall into the same three categories. Four state SAU coordinators (all in high performing programs) engaged in an on-going, intensive process including extensive data review and analysis as well as thorough field visits. In three of these cases, local reviews were generally done jointly with WIN sponsor and regional office officials. In three other states analysis or field visits were more limited. Finally, in three low performing programs, data review and analysis were minimal, and field visits were infrequent partly because of understaffing or limitations on travel. Monitoring and operational improvement was left either to local supervisors or to county welfare agencies.

Use of Area Administrative Levels

Table 15 shows WIN sponsor area-level arrangements in the ten study states. In eight of the ten, some intermediate level existed between the state and local levels. Only the two smallest programs had no intermediate layer.

Table 15

WIN Sponsor Area-Level Structure

	A	B	C	D	E	F	G	H	I	J
WIN integrated into ES chain-of-command										
ES area structure only		X								
ES and WIN area structure	X*		X	X						
CETA/WIN area structure							X			
Self-contained WIN programs										
WIN area structure	X*								X	X
No area structure								X		
WIN operated by state welfare at area level						X				

*WIN program was self-contained in most of the state but integrated into ES chain-of-command in several metropolitan areas.

In the one high performing program where only an ES area structure existed, top SESA leadership had made it clear that WIN was a priority program, and ES area officials rarely involved themselves in the program. Local WIN managers said that they worked through the ES area office on office space, personnel actions and reporting system problems but that they could communicate directly with the WIN central office on program policy and procedure.

Each of the three cases involving both an ES and WIN area structure was different. In two states there was a WIN unit within each area ES office. In the third, there was a cadre of WIN "field technicians" with separate geographic responsibilities as well as ES area offices. In two of these states SESA leadership was supportive of WIN, and their attitudes were reflected at the area level. In the third, top management was hostile, as was the ES area structure through which WIN was administered in part of the state. Although overall state performance was high, its poorest performing local units were in these ES controlled areas. In each of these three states, WIN area supervisors or field technicians played an active role in providing technical assistance and policy guidance. Their presence helped overcome linkage problems that might otherwise have occurred because of the intervening layers of ES structure.

The low performing program with the CETA/WIN structure has already been mentioned. Because of the high priority this SESA gave CETA and the low priority assigned to WIN, area CETA-WIN coordinators devoted nearly all their attention to CETA. They generally lacked detailed knowledge of WIN policy or procedures, and they provided neither technical assistance nor oversight on behalf of the program.

Of the three self-contained programs with their own area structures, the high performer had an active, knowledgeable cadre of area personnel. They not only provided technical assistance and policy guidance but also functioned as a conduit for lateral contact across local units and candid upward feedback from the field to the state office. In the two low performers, however, these individuals played a more passive role, primarily serving to pass directives downward and routine paperwork upward. They provided little technical assistance and, in one case, rarely visited local offices.

Seven of the ten SAU's also had some intermediate level administrators between the state coordinator and local offices. This was the case in three of the five states where welfare was county-administered. These individuals had a particularly difficult and delicate job. Local SAU workers were usually county employees, thus not under their direct supervision. Personnel classifications and salaries sometimes varied from one county to the next. In some states county welfare departments used their own reporting systems, and there was no uniformity in reporting of welfare savings and obtained employment or other information. In addition, county welfare administrators controlled SAU budgets and staffing levels.

In these cases, SAU area staff necessarily functioned more as "liaison" or "coordinators" rather than "managers." In two of the high performing WIN states, the SAU coordinator and their field staff successfully established positive relationships with the counties. One of these state SAU's had regional directors who transmitted information to the counties and to local SAU workers. Many of the counties in this state had negative attitudes toward WIN, and these regional SAU directors consciously worked at improving relationships between the WIN program and local welfare officials. The other SAU took this field liaison role further, including county IMU supervisors in regular WIN area meetings with SAU and WIN sponsor local and area staff. By widening communications and including county welfare supervisors in procedural decisions, linkages important to the program were strengthened.

Our analysis showed that high performing state programs in our sample had area sponsor and SAU staff with extensive WIN program experience actively providing technical assistance and creating important linkages in the field. The program usually also received some degree of priority within ES and welfare district structures, if they existed. There was no similar consistent pattern among the low performers. Either there was no priority in the ES district structure (one state) or ineffective and poorly utilized separate WIN area staff (two states). In the one low performing state where the sponsor was integrated into the ES structure, the SAU had a very well organized area supervisory system which provided monitoring and technical assistance. However, the program had very low priority in the SESA.

3. What Are Their Management Styles?

The management style of state WIN sponsor and SAU coordinators is demonstrated in large part by their behavior in executing specific functions. As we have noted, their approaches to planning, training, reporting systems and monitoring varied considerably, and those variations tended to differentiate high from low performing programs.

Now we turn to another set of constructs which partly cross-cut these specific functions. They include aspects of internal management (i.e., delegation of authority to subordinates, decision-making processes, and communication methods and patterns) and relations with the "other side" of the program (the SAU or WIN sponsor) and with host organization leadership.

WIN Sponsor--Delegation of Authority

The job of a program manager may be defined as assuring that program mandates are carried out and that decisions made within the organization are consistent with these mandates. Thus a manager delegates optimally by permitting discretion to the point where he or she can still have confidence that decisions are being made in this way. Any less is inefficient. Anymore and the desired degree of uniformity is lost.

Theoretically, then, the proper degree of delegation may be determined by (1) the nature of a program's tasks, (2) the competence and other characteristics of its work force and (3) by the scale of the operation. The more variable and complex the tasks, the more discretion required for efficient functioning. Similarly, the more competent the manager's subordinates, the more likely they are to make "good" decisions. Lastly, as noted earlier, the larger and more complex the organization, the harder it is to control or coordinate, and the more imperative delegation of authority becomes.

It follows from this that if a manager wants or needs to permit considerable discretion at lower levels of the organization, he or she must communicate and train the staff in the ways he or she thinks are appropriate to act and decide. And he or she must have accountability and feedback systems that permit the monitoring of actions, results and problems. Thus, the issue of delegation is inextricably related to the issues of communication, training, reporting systems and monitoring procedures discussed earlier.

Across our ten-state sample, both WIN sponsor and regular ES staff reported that the delegation of authority was generally more extensive in the WIN program than elsewhere in the employment security agency. This meant that area level administrators, local unit managers and even individual service deliverers were perceived to have more discretion than ES personnel in adjusting operating practices, managing their time and relating to other programs or to employers. This was partly because the tasks of the program were seen as more difficult and variable. They involved more disadvantaged clients, a greater variety of services and a more complex set of interactions with other organizations.

In seven states greater discretion also resulted in part from the state coordinator's management strategy. In five of these states, the coordinators and their central office staff emphasized the importance of "training staff so that they can make decisions for themselves," "providing flexibility and autonomy at the area and local level," "managing by exception," or "delegating responsibility downward." In most of these states, substantial efforts were being made to train personnel, to develop mechanisms for upward or lateral communication, and to provide technical assistance. In the other two, discretion was not due to a conscious policy but rather to the passivity of the state director. Training and monitoring were minimal in both of these states. In the absence of training, communication or control systems, local personnel were relatively free to operate as they wished.

WIN Sponsor--Decision-making Processes

Decision-making in an organization may be centralized or decentralized, unilateral or consultative, hierarchical or participative. It may vary with the circumstance or the organizational level or unit. Here we are concerned with the general pattern of decision-making reported at the central office and area level. Do state coordinators as a regular habit make decisions alone, or do they involve central office staff, area staff, and local managers in the decision process? At the area level, are local managers involved?

Four states (two high and two low performers) had both a policy of participative decision-making and structures for implementing it. This involved what one manager called "group process management style." Through frequent meetings, field visits and telephone conversations, the state director and central office staff consulted field personnel prior to making decisions. At the area level as well, regular sessions, monthly or more frequently, were held that included open consideration of problems and proposals. Three were states in which "bottom-up" annual planning occurred. Of the low performers, one was a program where the WIN coordinator was new, and this approach was a recent departure. The other was the state that was maximizing reduction of AFDC-U cases.

In two other high performing programs, mechanisms existed within the WIN central office for participative decision making. These involved frequent meetings between the coordinators and their small central staff at which ideas, proposals and problems were discussed openly prior to decisions. However, there was little evidence that field personnel were involved in state level deliberations.

The remaining four states fell into three different categories. In one self-contained, low performing program, decision-making was centralized in the state director, and little genuine consultation with subordinates was reported. This pattern was replicated at each level of the program hierarchy. In a second low performer, WIN was administered through the ES chain-of-command down to the local office level, and decision-making was controlled by the ES managers and supervisors rather than WIN personnel. In the last two (one low and one declining performer), decision-making was decentralized de facto to local units. Passive top management in both programs neither enunciated policy nor created mechanisms through which subordinates could develop it.

WIN Sponsor--Communication

We analyzed "communication" in three different categories:

- Downward--the transmittal of directives, guidance and technical assistance downward through the organization.
- Upward--feedback upward through the organization as conveyed through automated systems and written and oral communications whether formal or informal, voluntary or required.
- Lateral--communication across units, especially contact between service deliverers working in different offices.

Respondents in only two states reported that downward communication was a problem. Both were states where WIN sponsor staff received almost no formal training or technical assistance and where field visits were a formality. When the central office took some action or issued an instruction, explanations were rarely provided. In both cases the attitude of the program director seemed a key factor. One individual took a rigidly hierarchical view toward his subordinates. In our interview he expressed his belief that information should be disseminated on a "need-to-know" basis only--and he would decide who needed to know. The other had long suffered the active hostility of her superiors and had adopted an entirely passive management style in the face of her problems.

By contrast, several state coordinators paid special attention to downward communication. One state director described how he and his central office staff reviewed federal guidance line by line, frequently rewriting it out of a concern for how nuances of phraseology might be operationalized in the field. Field staff inquiries were answered promptly. Staff were not only given answers but also taught how to think about problems themselves, so they could resolve them independently in the future. Training was extensive. Area administrators or "field specialists" saw the provision of technical and programmatic assistance to service delivery staff as one of their main functions.

Upward communication varied substantially across the sample. In five states (four high performers and the low performer with AFDC-U reduction as its top priority) upward feedback of various types was most extensive. These were programs that generally had developed accurate automated reporting systems, permitted local supervisors to participate in planning, and used site visit techniques that provided central office personnel with unfiltered feedback from service deliverers and line supervisors. In addition, three had weekly or monthly area-wide manager meetings or office visits by roving field specialists during which local personnel were encouraged to give their reactions to policies or problems and offer proposals. The state director and central office staff were accessible not just to intermediate administrators but also to unit supervisors and sometimes line personnel. In most of these states, direct telephone conversations between local and central offices on technical or policy issues were frequent.

In the other programs, reporting systems tended to be less accurate, planning was generally downward, and field visiting was minimal or was structured so that only downward guidance occurred. Regular area-wide managers meetings did not take place, and direct contact between local and central office personnel was, with one exception, either minimal or formalistic.

The reasons appeared to vary. In two states the program coordinator's disinterest in all but federally-required reporting constrained other forms of feedback. According to subordinates, these directors were uncomfortable with informality and insistent on adherence to hierarchy and status. They tended to avoid situations that might lead to confrontations or conflicts of ideas. All-staff meetings and other group sessions were usually either ceremonial or limited to the downward delivery of messages from superiors to subordinates. In two other states structural conditions (WIN was administered through the ES chain-of-command) filtered out or deterred feedback from the field to the central office. Finally, feedback efforts in several states seemed to be moderated by the culture of the SESA as a whole, which was hierarchical and directive.

There are obvious obstacles to lateral communication among local units of a program which are dispersed across a state. Unless management stimulates contact among units, it is likely to be limited. However, in at least four states (three of them high performers) lateral communication was extensive. In these states it took various forms, including:

- Regularly scheduled area-wide meetings of local unit supervisors for problem-solving and planning.
- Annual state-wide all-staff conferences that were substantive rather than ceremonial. Service delivery personnel were not merely a passive audience for state or federal speakers but actively participated as panelists, instructors and workshop leaders.
- Training involving personnel from different units structured so that participants learned from the experiences and practices of others.
- Staff (the "field specialists") whose functions included transmitting promising ideas or techniques from one unit to others.
- Informal contacts across local units based on past personal work relationships.

It appears that a communication pattern that includes considerable upward feedback, lateral contact among units, and direct, substantive interactions between central office and local service delivery personnel may have favorable effects on WIN program performance. Some effects suggested by respondents were the following:

- Enthusiasm of service delivery staff, important in a program as difficult as WIN, was stimulated. WIN workers' increased sense of participation strengthened their feeling of responsibility for the program.
- Top managers received feedback and ideas unfiltered by intervening administrative layers. This led to more rapid identification of problems or possibilities, which resulted in quicker adjustments to changing conditions and more experimentation with innovations.
- Direct contact with top leadership enhanced service deliverers' understanding and tolerance of performance targets, regulations and other constraints that might have been regarded as oppressive or misguided.

4. What Are the Characteristics of the Program's Staff?

As already mentioned, the style of management in any organization partly reflects the characteristics of the workforce--their background, expertise and attitudes. This section considers the following characteristics of WIN staff in our ten sample states: (1) demographics, (2) work backgrounds, (3) characteristics preferred by WIN supervisors, and (4) morale. It is important that this section be read with an understanding of the type of data on which it is based. With minor exceptions, none of the data are derived either from documentary sources or from psychometrically designed surveys of a random sample of staff large enough to permit statistical inferences about staff in the ten state programs. The data are, instead, the perceptions of WIN sponsor, SAU, and other SESA and welfare agency personnel about WIN staff as revealed by semi-structured interviews with a non-random group of these respondents. As such, the information presented here must be viewed as suggestive and interpreted with caution.

Demographics

In only three states were respondents able to differentiate WIN sponsor education levels from those of other ES staff. In all three they were seen as more highly educated. Nowhere were WIN workers seen as less educated. The tendency of WIN sponsor staff to be perceived in some places as more highly educated than the ES may have been due to the program's heavier mix of counselors. Many ES counselors transferred to WIN when the USES de-emphasized counseling in the early Seventies. In most places SAU staff were seen as having more education than WIN staff, primarily because many social services positions require master's degrees as a precondition for employment.

WIN was also usually perceived as having more female and minority staff than the mainstream ES. This was probably related to the past reluctance of some SESA's to employ women and minorities--especially for managerial positions. According to our interviewees, career-minded women and minorities, sensing limited opportunities in the ES and UC, tended to gravitate to WIN. Some were also attracted by the type of target population with which the program works, since it usually was more heavily minority and female than the clientele of the SESA's other programs. As a result of these tendencies, WIN was generally seen as "better off in affirmative action than the SESA as a whole." In most places the SAU was perceived as being even more heavily female than WIN, presumably due to the easier entry of women into social services than other professions.

Some exceptions to these generalities were apparent. In one state the WIN staff was predominantly male. In two western and one southern state there were many minorities in service delivery jobs but few in management positions. In a northeastern state the WIN director was black, but few other WIN staff were, although the state's largest city had a large minority population. Despite these exceptions, the perception that generally prevailed was of a program substantially staffed by women and minorities.

Work Backgrounds

Interview data suggested a potentially significant difference between the work backgrounds of WIN staff in high and low performers. Four of the low performers were staffed with individuals respondents characterized as "finishing out their careers," or "ES cast-offs." These were not individuals who had volunteered for WIN or had been selected by WIN managers. Rather they were personnel that WIN administrators often said had been "dumped" on them. On the other hand, the four high performers had been initially staffed primarily by the pick of ES workers, often personally selected by the managers for whom they were to work. In addition, many had worked in the agency a relatively short time, and, as one manager put it, "had not yet developed in-grained habits." Respondents in these four states tended to see WIN sponsor staff as more competent than their counterparts in the ES.* No similar pattern was discernible across the SAU's in part because SAU staffing in many states was done by county welfare departments and thus could vary from county to county within the same state.

Why had the four high performing WIN programs been able to obtain more select staff? The reasons included both SESA management attitudes and program structure. In three of the programs (all integrated into the ES chain-of-command down to the local unit level) senior ES officials had given WIN high priority and passed the word that WIN supervisors were free to take their pick of existing staff or new hires. In the other (a self-contained program housed in a hostile SESA), the program's relative isolation from the rest of the SESA protected it until recently from interference in its personnel decisions. WIN management had been relatively free to hire whom it thought best for the program.

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*Studies conducted in California (1974-76) and Wisconsin (1975) examined the comparative "expertise" of different types of SESA staff using similar survey instruments. "Expertise" was measured in terms of training at job entry, continuous on-the-job training and formal education. In California, no substantial differences were found between ES and WIN staff expertise. In Wisconsin, WIN staff education levels and amount of job entry training were somewhat higher than those of ES workers. Perhaps more interesting was the fact that, within WIN, staff in the high performing units scored higher in expertise than those in low performing units. See Van de Ven _et al_. (1976), p. 22, and Roberts _et al_. (1977), p. 45.

Characteristics Preferred by WIN Managers

The answers WIN supervisors gave to interview questions about the characteristics they looked for when hiring staff mirrored the characteristics WIN staff perceived themselves to exhibit. WIN supervisors said they looked for individuals who were:

- Interested in helping people; client-oriented; people-oriented; counselor-types.
- Open-minded; without negative attitudes toward the disadvantaged, minorities or welfare recipients.
- Enthusiastic and competent, since the program was difficult and complex.
- "Young blood"; short-term employees of the agency; staff that were less comfortable with routine.

WIN supervisors' capacity to obtain such individuals, was, of course, constrained by various factors. These included personnel, civil service and union policies and political interventions in hiring, as discussed in Chapter 3.

Morale

In our field research WIN supervisors and staff were asked questions about morale in their unit and their state program. These questions touched on various aspects or indications of morale, including salary satisfaction, work satisfaction, perceived advancement opportunities, and staff turnover. A general pattern differentiated high from low performing states. Of the four high performers, three had generally high morale, and in the fourth conditions were mixed--varying dramatically from place to place. In two of the low performers and the declining performer, morale was generally low. In two other low performers, it was mixed.*

Satisfaction with salaries was generally high among WIN staff in three out of the four high performing programs but only in two of the five low performers.** However, statistical analysis of data on average salary levels in 51 state WIN programs showed no significant correlation with performance measure outcomes.

Some association between state program performance and "work" satisfaction was apparent. In three of the high performers, staff tended to say they liked their job, their co-workers and the agency as a whole. In four of the low performers, dissatisfactions with each were frequently expressed.

Similarly, in the four high performers WIN workers believed their advancement opportunities were good. In three of these states, WIN staff felt that the program was to some degree a training ground for ES managers, and several ES administrators agreed. As one said, "If you can place welfare people, you can place anyone." The director of the fourth program had been able to create a career ladder within the program. In four of the low performers, chances of promotion for WIN staff were described as poor due in part to limited career ladders within the program and to difficulties in passing agency-wide promotional tests that were reportedly oriented to personnel with ES or UC experience.

Finally, supervisors and staff in all but three states reported that turnover was lower than in the ES. Each of these three was a low performer.

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*In the Wisconsin organizational study, high performing WIN units scored better on "job satisfaction" than low performing units. However, when analyzed in combination with other variables, job satisfaction was not a significant explainer of WIN unit performance. In that study job satisfaction included survey items on satisfaction with the job itself, supervisors, pay, co-workers, and career advancement. See Van de Ven et al. (1976), p. 38.

**A comparison with actual data on average salaries in these ten SESA's provided an interesting validity check on our interview data. In each state where staff indicated satisfaction with their salaries, those salaries were, in fact, higher than average wages in manufacturing industries. And in each case where dissatisfaction was indicated, salaries were lower than those of manufacturing workers.

5. Relationships between WIN Sponsor and SAU Directors

The relationship between the two program leaders--the SAU and WIN sponsor directors--varied from close to hostile across our sample. The hostile or troubled relationships conformed to no particular pattern. One involved an aggressive, entrepreneurial SAU director and a passive WIN sponsor director whose own supervisor was hostile to WIN. The SAU director felt that the WIN sponsor was incompetent, and he had actively sought to expand the SAU's domain to cover direct placement. In a second state, the SAU administrator previously had had responsibility for Title V and a state-sponsored welfare-employment program, and he regarded them as superior to WIN. Interorganizational jealousy combined with hostility between middle level subordinates and personality differences to create a troubled relationship. A third case involved a domineering, autocratic WIN sponsor director with close ties to state politicians and an SAU director who had no support staff and limited status within her own organization. In each of these states, cooperation was good in at least some local offices, due largely to the efforts or friendships of individual supervisors or service deliverers (see Chapter 11).

In the states where top level relationships were closest, the program was characterized by:

- Common WIN sponsor-SAU undertakings including joint training sessions and staff meetings, joint field visits by the two directors, a common handbook, and, in some cases, a system of joint directives to field staff.

- Oral rather than written forms of conflict resolution. The two leaders resolved differences by talking to each other rather than passing memoranda back and forth.

- Frequent, informal direct contact. These included weekly meetings, several phone conversations each day and, in one case, daily get-togethers over morning coffee.

- Joint resolution of local operational or interpersonal problems whether the problem was on the sponsor or SAU side.

- Evidence that both individuals put the interests of the program ahead of the interests of their own organization in carrying out such functions as annual planning and budgeting.

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- Collaboration in managing relations with host organizations and with federal regional officials (one state). This included jointly persuading superiors to fill positions or improve facilities and orchestrating regional office intervention with host agency leaders on behalf of the program.

The effect of central office collocation on these relationships was unclear. None of the three pairs who were mutually antagonistic were collocated. However, physical proximity seemed hardly likely to affect their deeply held differences--at least in the short term. Two of the six "pairs" whose interactions were classed as "close" were housed together. However, several of those who enjoyed good relationships but were not collocated made a strong case against requiring collocation. By being situated within their own agencies they felt they were better able to (1) monitor developments that might affect the program, (2) maintain their personal links and rapid access to superiors, (3) reinforce the idea that WIN was a joint responsibility rather than the other agency's domain and, (4) be more effective in facilitating action by their own organization on behalf of the program.

In all of the high performers these relations were close. In two of four low performers these relationships were hostile, but in the other two they were quite close. In each of the latter cases, however, other organizational factors appeared to overpower any effect that close relations at the top might have had on operational realities (and productivity) at the service delivery level. In one case, the diversion of WIN resources by the ES seemed the main factor. In the other the WIN sponsor and SAU coordinators, while friendly, were inactive in the face of resource constraints and host organization inattention or animosity.

6. Host Influences on the Program

The influence of the host agency is felt to varying degrees from the state coordinator down to the local WIN worker. Here we emphasize host influence on the state coordinators and their central office staff. In all cases the host agency for the WIN sponsor central office was the SESA. However, in one of our study states, the entire program at the local level was run by the state welfare agency.

Each host agency is responsible for a number of programs. Each of these has its own set of goals, priorities and procedures. Since they are all affected by the policy and decisions of the host agency, each has an interest in influencing those policies and decisions. The agency's overall goals, priorities and decision-making processes presumably reflect the comparative importance placed on the various programs by top management.

A number of factors are at work within the host agency that determine the relative importance placed upon WIN and the bureaucratic environment within which the program operates. The host agency can create an environment that is supportive, that imposes barriers, or that is neutral toward WIN.

WIN Sponsor

Host agency factors influencing WIN programs are interactive in the sense that one factor influences another which, in turn, influences yet others. Thus, the overall goals and priorities of SESA's may be shaped by the interplay of a number of such factors. A SESA executive director, who is usually a political appointee, could interpret the agency's goals and priorities in light of the governor's political platform or could accept those advocated by upper-level career managers.

In the absence of pressure from the executive director, the SESA's career leadership could set agency priorities consistent with their past program affiliations or the perceived impact of one program on others. They could attempt a "balancing act"--setting policies for the SESA that seek to maximize overall agency performance. No program would be emphasized to the detriment of any other. This might mean that each program performance would be less than if its mission were paramount in the agency.

The SESA's choice of goals and priorities will influence tasks. If the over-riding emphasis is on the employment service program, agency-wide priority will be on activities that result in increased numbers of placements and the maintenance of employer relations. SESA leadership might give low priority to decisions relating to WIN, and those decisions might be evaluated predominantly in terms of their effect on the employment service. Other effects on the WIN central office could include limitations on its decision-making power, delays in filling its vacancies, diversion of its resources to ES purposes and neglect of its computer work or training needs. At the local level, WIN could be limited in its use of job bank openings or denied access to ES job orders. WIN employer relation representatives could be prohibited, or they could be restricted to "secondary" market employers.*

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*Such limitations at the local level will be treated in detail in Chapter 11.

If, however, agency-wide goals and priorities are either neutral or supportive of WIN, the WIN sponsor coordinator and central office staff are more likely to have the authority and resources with which to influence local operations and thus, performance levels. In short, they can determine their own fate.

Table 16 presents data on the SESA's posture toward WIN in our ten study states. As the table indicates, SESA posture toward the program showed no consistent relationship with state WIN performance. This lack of association is due importantly to strategies followed by WIN sponsor coordinators and their central office staff, their effectiveness in implementing these strategies, and their competence as managers. As the following examples show, a WIN program can be consistently among the best performers in the country even though it operates within an extremely hostile bureaucratic environment. It can also help alter agency-wide goal definitions so that its comparative position in the agency improves.

Success in a hostile environment. One example was a program housed in a highly politicized, rigidly controlled and generally low performing SESA. ES hostility to WIN was extensive, generally substantial. However, under the past aegis of an agency deputy director the WIN sponsor coordinator had gradually transferred direct control of most local WIN units from the ES to his own staff.

As various human resource development (HRD) programs were terminated in the SESA, the WIN coordinator was able to selectively recruit competent staff attracted by the program's able leadership, relative independence and more flexible style as well as its purposes. Each time the state administration changed and some staff in other parts of the SESA were displaced for partisan purposes, WIN took the pick of them for its own units.

By continuing, strenuous efforts, the WIN coordinator was able to insulate his staff from most incursions by the politicians or the ES. Thus, this program had competent, well trained staff; accurate reporting; open communication patterns; sophisticated monitoring procedures; extensive downward delegation; and high performance--despite being located in a SESA that had none of these characteristics. WIN lived, however, in a siege atmosphere, never quite sure from where the next attack might come and whether the defenses could be maintained.

Changing a SESA's priorities. In another state, WIN was run through the ES chain-of-command and had low priority with SESA leadership. As a result, the WIN coordinator had difficulty getting decisions from his superiors and cooperation from other bureaus in the SESA. He had few

Table 16

SESA Posture Toward WIN

	A	B	C	D	E	F	G	H	I	J
SESA leadership perceives WIN as "important." Overall agency goals balance individual program goals. WIN central office has credibility with SESA leadership and considerable discretion.		X		X						
SESA leadership treats WIN equitably or is passive toward it. With "self-contained" structure, WIN central office has direct influence over program policy and local operations.			X					X		X
SESA leadership is passive toward WIN. However, program structure (welfare controls line authority over WIN local staff) limits the influence of the WIN central office.						X				
SESA leadership hostile to WIN or initiates policies that hamper WIN goal achievement. WIN central office is still able to have some influence over the program.	X								X	
SESA leadership hostile to WIN. ES priorities totally overshadow WIN. Limitations are placed on WIN operations; WIN goals are mostly displaced by ES ones; or ES controls all WIN local operations to their detriment.					X		X			

support staff of his own, and at the area and local level, ES personnel either diverted resources from WIN or ignored it. The program was a low performer, and federal reviews identified many problems resolvable only at the SESA level.

The state WIN and SAU coordinators worked closely together to alter the situation. The regional ETA administrator was persuaded to intervene. Not only did he make a strong case about the importance of WIN, but he also may have implied possible funding cuts. The SESA commission chairman and the ES director then took a strong stand on behalf of WIN. The WIN director not only received easy access to his superiors and quick decisions on issues he chose to put before them, but he was also given "negotiating rights" to deal directly with other units, such as personnel and EDP, without going up and down the normal chains of command. On the advice of the regional office, a small but competent central office staff was developed, and a cadre of experienced, innovative field supervisors was installed.

While the program remained in an ES integrated command structure, most ES area and local office managers reflected the SESA leaders' view that WIN was "important." They frequently assigned their best interviewers to the program and made ES counselors readily available to WIN clients. WIN staff were perceived not as outcasts but rather as likely candidates for promotion to ES management positions. Over the course of several years, the program moved from a low performer to one of the top five in the country.

Important lessons can be learned from the above examples. When a state WIN program finds itself confronted with a hostile bureaucratic environment, its best strategy may be to gain line authority control over its local WIN operations, capture needed staff and isolate them from SESA influence. On the other hand, if SESA leadership can be persuaded to be supportive or neutral, WIN line authority over local operations is not necessary to achieve relatively high performance levels. However, the WIN central office must maintain high visibility in the field, with direct, if sometimes informal, communication channels and program authority.

Separate Administrative Units

Relationships between the SAU coordinator and the state welfare leadership also impact on the WIN program. Just as in the SESA's, the attitudes of host agency leaders towards WIN were reflected in their agency's goals and priorities. These attitudes, in turn, affected the posture the SAU took towards the WIN program or the emphasis that the welfare system placed on WIN.

The posture of state welfare officials toward WIN fell into three categories:

- In four study states WIN had little or no support in the state welfare hierarchy. The sole social services priority was Title XX.
- In three states the state welfare department's posture toward WIN was based on the high priority it assigned to getting fathers off of AFDC.
- In three other states the SAU had a moderate degree of support from the state welfare department, and WIN was considered an integral part of welfare program policies.

These priorities within the welfare department influenced how effectively the SAU coordinators could carry out their functions. In the four states where WIN was given very little priority, the SAU was either completely separated from the rest of the welfare system (two cases); understaffed regardless of allocations available (one case); or not given any training, or technical assistance even on general social services subjects (three cases). In two of these cases, it was often impossible for the SAU to obtain approval to travel to state or regional WIN meetings.

In the second category, state welfare attitudes toward WIN centered on an agency-wide emphasis on keeping unemployed fathers off AFDC. This priority was reflected in the SAU's own priorities and led to rivalry between the WIN sponsor and the SAU over employment-related functions in two of these states. In one, the SAU had obtained an agreement from the sponsor that allowed SAU staff in the largest project to work intensively with AFDC-U applicants before they were approved for welfare. This included doing job development, referral and placement.

In the second state, the same bureau that operated the SAU also administered a placement program for recipients of general assistance.*

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*There were welfare department placement programs for state general assistance recipients in several other sample states. They dealt with a population completely separate from the WIN target group and were concerned only with placing employables before approving them for general assistance. Two of the programs were operated through the same bureau administering the SAU, but were not related to or competitive with WIN. Only the program in the state described here resulted in competition between the SAU and WIN sponsor.

Until recently, that bureau also had administered a placement program for AFDC applicants. This program had been in direct competition with WIN and had been terminated after intervention by the WIN federal regional office. SAU managers and staff who had worked in that program wanted WIN eliminated and their own program reinstituted.

In the third state in this group, the welfare department operated the entire WIN program on a subcontract basis from the SESA. The SESA had never given WIN much priority and, according to several respondents, had been glad to give up responsibility for WIN. Thus, no competitive relationship existed between the two agencies.

In the three states where there was moderate priority given to the SAU's, the SAU and WIN coordinators had been able to develop extremely close and cooperative working relationships. Both the SESA and the welfare departments in these states had communicated to the field that WIN was to be given priority equal to other programs. Although WIN was not a top priority in any of these three welfare departments, the SAU coordinators were given total discretion in running their programs, had easy access to their superiors, and were given support and attention similar to other division heads in the department.

These SAU leaders played a leadership role in the overall state WIN program. They coordinated with other state welfare divisions to improve state-county WIN relationships; participated in improving joint IMU-SAU reporting systems; collaborated in joint WIN-SAU training and technical assistance in the field; and were free to promote priority for WIN in their own departments. One of these individuals participated in planning a state workfare program that was to be coordinated, not competitive, with WIN.

These three WIN programs were identified by our analysis as high performers. Their relatively high priority within both the SESA and the welfare department, plus good coordination between the WIN sponsor and SAU at the state level, seemed contributing factors.

CHAPTER 7

CONCLUSION

In the preceding chapters we have described factors within state WIN programs hypothesized to influence how they perceived their mission, how they were structured and how they made decisions on resource utilization. We have sought to identify (1) outside influences on overall state WIN organization, (2) interactions among hypothesized "major determinants" of organizational behavior, and (3) associations between these determinants and WIN performance.

This chapter summarizes and synthesizes major findings in this part of the report. First it presents those characteristics consistently found in high performing programs but not in low performers. Then it considers what we have learned about relationships among "major determinants" and WIN performance.

1. Characteristics Consistently Found in High Performers

The following are the characteristics or arrangements that were systematically found in most high performing WIN programs and were generally absent in low performers:

- WIN sponsor staff tended to have a clear perception of national program goals. There was a general consensus that quality of jobs was at least as important as the number of job entries.

- SAU supervisors and staff saw their job not only as assisting the WIN sponsor by providing social services to registrants but also as creating coordinating linkages to the IMU and Title XX.

- Goal displacment by host agencies was nonexistent or minimal.

- Training of managers, supervisors and local staff was frequent and covered a relatively large number of WIN-specific areas. Much of this training was conducted jointly for both SAU and WIN sponsor staff.

- There were relatively few problems with automated reporting systems. Where problems existed, procedures were being followed that quickly resolved them. ESARS data were perceived as accurately reflecting activity levels.

- SAU and IMU reporting systems were generally accurate and problem-free. Procedures and linkages had been developed for accurate reporting on obtained employment and grant reductions.

- WIN sponsor and SAU central offices tended to undertake more intensive and sophisticated monitoring. This often included comprehensive and structured joint visits to both SAU and WIN sponsor local units.

- WIN sponsor and SAU area staff or field supervisors had extensive WIN program experience and actively provided technical assistance to local WIN units. They also often acted as a communication link among local units and between local staff and the WIN sponsor and SAU coordinators.

- WIN sponsor local units tended to have open upward communication linkages to the central office. Central office staff obtained information on local program developments and problems through information systems, on-site monitoring visits, meetings with local staff, and frequent phone contacts with the field.

- WIN sponsor central offices promoted lateral communication among local staff through statewide meetings, training sessions, or conferences. Some also used field supervisors to inform local offices about the experiences of other local units in developing more effective service techniques and resolving problems common to all offices.

- SAU programs tended to have credibility with host agencies. WIN program goals were not displaced. SAU coordinators were given total discretion in running their programs, access to their superiors, and support and attention comparable to that of other programs in the host agency.

2. Relationships among Major Determinants, Work Unit Characteristics and Performance

Figure 9 presents graphically the interrelationships and causal influences suggested by our findings. This figure is a more detailed version of Figure III.1, which appeared at the beginning of this part of the report. It shows lines of possible influence among the major determinants and from these to local work unit characteristics. In addition, it depicts the strong qualitative associations observed between some organizational factors and performance. These associations suggest that certain major determinants work through work unit characteristics to indirectly influence WIN performance levels.

Figure 9 indicates that some major determinants act upon each other. Thus, goals are shown as influenced by organizational leadership, since host agency leaders and WIN coordinators may impose their own interpretations on national program policy. Goals, in turn, define the nature of tasks at all levels within the program. The overall structure of the program also may be influenced by organizational leaders where their discretionary authority permits. Leadership can affect staff characteristics, too, especially, where external constraints (unions, civil service regulations and political patronage) are not dominant, and management can play a role in hiring and promoting program staff.

Our findings also suggest that "major determinant" factors have a direct influence on local work unit characteristics. The nature of program tasks importantly shapes how service delivery units conduct their work. Overall structure defines the bureaucratic environment within which local units must operate, for example, the length and complexity of communication channels. Staff characteristics define the composition and quality of the program's staff at the local level. Thus, vectors are drawn from these major determinants to work unit characteristics.

Lastly, Figure 9 indicates that some factors appear to be associated with program performance. That is, changes in these factors would likely cause changes in program performance levels. Thus, we saw

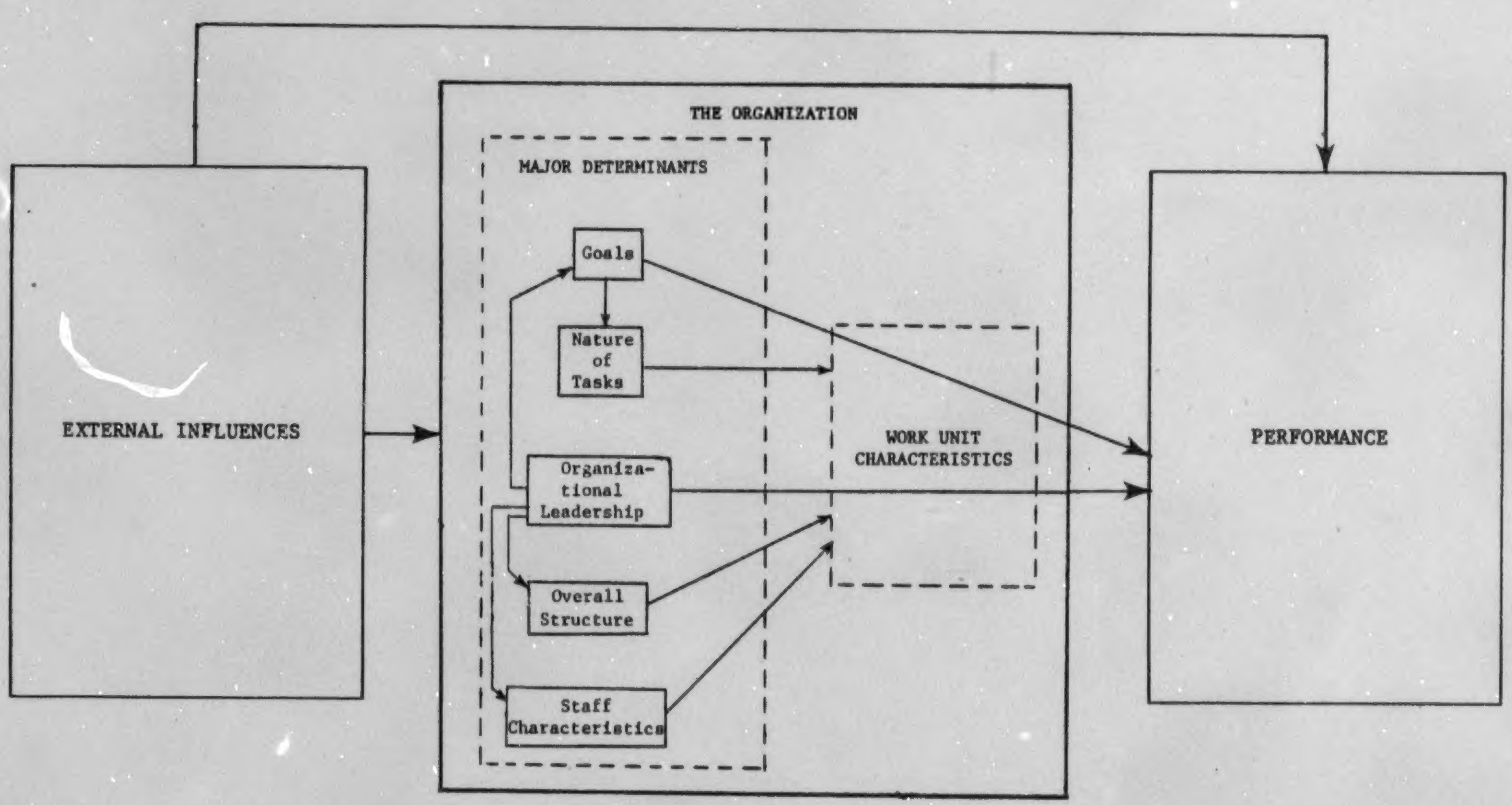
EXTERNAL INFLUENCES
THE ORGANIZATION
MAJOR DETERMINANTS
Goals
Nature of Tasks
Organizational Leadership
Overall Structure
Staff Characteristics
WORK UNIT CHARACTERISTICS
PERFORMANCE

Figure 9

Relationships Between Major Determinants, Work Unit Characteristics and Performance that state-wide WIN goals which conformed to national ones were consistently associated with relatively high performance. Similarly, the way in which coordinators and central office staff executed managerial functions also exhibited a clear association with performance. However, these factors are portrayed as having only indirect influences on performance. Any change in these factors would have to work first through local service delivery units in order to impact on performance. Thus, the lines of influence from these major determinants--goals and organizational leadership--go through work unit characteristics to performance.

Figure 9 therefore indicates some leverage points--parts of the state program on which federal and state WIN administrators might concentrate efforts to improve program performance. Strategies for doing this will be discussed in Part V.

PART IV

LOCAL WIN DELIVERY SYSTEMS

PART IV

LOCAL WIN DELIVERY SYSTEMS

SUMMARY

High performing local WIN units tended to differ systematically from low performing units in the way they were managed and delivered services to clients. WIN sponsor managers in high performing local programs tended to:

- *Maintain more accurate and timely reporting systems.*
- *Monitor or evaluate their operations more frequently and intensively.*
- *Emphasize systematic distribution of information and more frequent internal discussion.*
- *Permit more flexibility regarding work rules and office procedures and delegate more program authority to subordinates--but in combination with more highly developed accountability systems.*
- *Exchange functions among staff and cross-train them for different jobs.*
- *Deal more directly and openly with conflict within the unit.*

Services to clients also tended to be delivered differently in high performing programs. In such programs:

- *Uncooperative clients were the subject of more extensive counseling.*
- *Imparting job search skills to clients was emphasized.*
- *Job development efforts were focused on the individual client rather than just on generating a large pool of job orders.*

- The SAU provided extensive supportive services beyond child care.

- More frequent and extensive interactions occurred between SAU and sponsor staff whether or not they were collocated.

One of this Part's most significant points is the permeating influence of state level variables. Whether the issue was program priorities, management behavior or attitudes toward CETA, local characteristics were extensively shaped by those at the state level. This suggests that federal administrators need not reach down to the local level in order to have an impact on local operations and performance. Rather, by influencing attitudes and practices of program and organization leaders at the state level, federal officials can affect behavior in a large proportion of local service delivery systems.

Other important findings were that:

- WIN-ES relations were not associated with WIN performance.

- WIN staff put little reliance on ES job orders and job banks.

- WIN-IMU links were critical to WIN case management and reporting but were generally troubled.

- Higher performers tended to have more frequent contacts with IMU's, and a number of units had evolved strategies for improving the IMU linkage.

- WIN access to CETA training and PSE jobs was generally limited and was not associated with performance.

INTRODUCTION TO PART IV

Part IV focuses on the work units that compose the local WIN service delivery system. The principal concern is the individual WIN sponsor units and SAU's that work with registrants at the community level. How do they interpret their objectives and how are they structured and managed? Do they carry out program functions differently? What interactions occur within and between WIN sponsor units and SAU's? What links exist between WIN units and other programs or organizations which may be important to the operation of WIN?

As in Part III, we seek to identify variation and its causes. We want to see whether certain types of local unit characteristics seem interrelated. Ultimately, we wish to learn whether there are patterns that systematically differentiate high from low performing local units. To do this, data on 43 local units in our ten study states were examined. Our sample included 10 high, 15 low and 18 average performers. Chapter 2 and the Appendices explain how those units were selected, how adjustments were made for socio-economic differences in identifying high and low performing units, and how interview and survey data were collected and analyzed. Here we present the results of that analysis.

As before, our presentation is framed around a general conceptual model of environment, organization and performance in programs such as WIN. The version of that model shown in Figure 10 highlights the work unit level constructs with which this part of the report is concerned. These constructs are influenced not only by local conditions and choices but also by the state level actions and policies examined in Part III. Thus the influence of both local and state level variables on local WIN operations are discussed here. Chapter 8 begins with the interpretation of state program goals by local work unit managers and staff. Then it deals with unit size, collocation, and internal structure, constructs that fall under "Work Unit Organization." "Work Unit Management" is considered in the next chapter. Chapter 10 focuses on local service delivery procedures, another dimension of "Work Unit Organization."

Chapter 11 examines "Coordination and Communication Within and Among Work Units." This includes interactions within sponsor and SAU

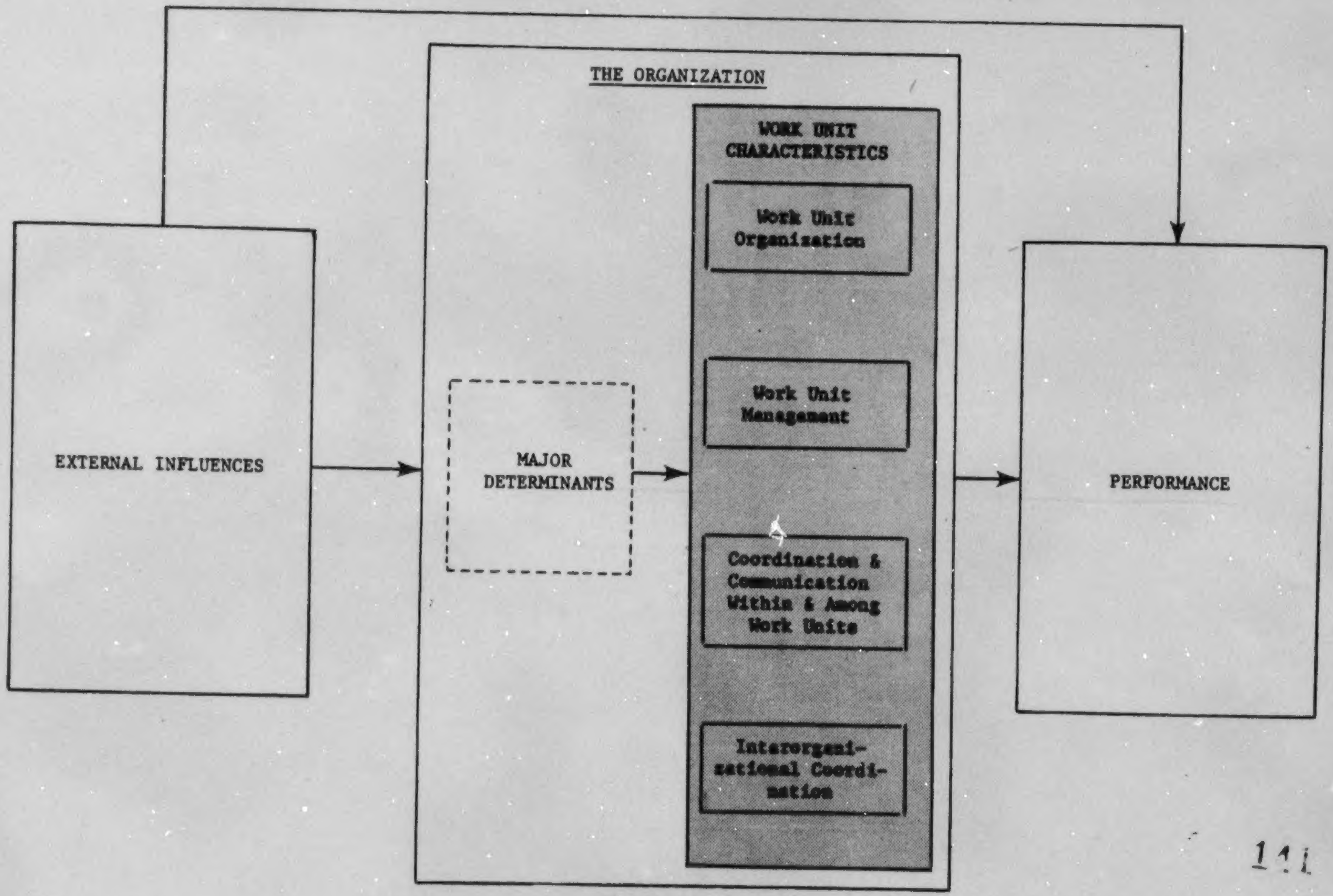
THE ORGANIZATION
WORK UNIT CHARACTERISTICS
Work Unit Organization
Work Unit Management
Coordination & Communication Within & Among Work Units
Interorganizational Coordination
EXTERNAL INFLUENCES
MAJOR DETERMINANTS
PERFORMANCE

Figure 10

Work Unit Characteristics

units and between them as well as relationships between WIN and ES and IMU units--the host agency units presumed to be particularly important to the program. Chapter 12 deals with more distant relationships, shown in the diagram under "Interorganizational Coordination." WIN unit connections to CETA prime sponsors, Title XX, Vocational Rehabilitation and other educational, training or community organizations are discussed there. As before, a concluding chapter considers our principal findings.

It is important to note that correlations reported in this part are meant only to suggest relationships that were identified by analysis of the qualitative interview data. In the correlation analysis, we used actual performance scores for each local office, adjusted for environmental difficulty, as explained in Chapter 2 and Appendix B. For presentation purposes, however, the local programs have been labeled high, average, or low performers based on those actual scores. The correlations are reported because they present a clearer picture of relationships than would the tabulations alone.

CHAPTER 8

LOCAL PROGRAM GOALS, PRIORITIES AND STRUCTURE

This chapter deals with two basic characteristics of local WIN service delivery systems--local perceptions of program goals and structural characteristics of local service units. Both goal perceptions and structure might affect local program performance--goal perceptions because they may suggest which functions and services are important, structure because it may shape the way specific tasks and interactions are performed.

1. Local Goals and Priorities

The goals and priorities of a program are determined by its enabling legislation and the interpretations of federal and state program administrators. It is usually not the prerogative of local managers or staff to set their own goals and priorities. Rather it is their responsibility to operationalize program goals that others have established by structuring their units, prioritizing among service components and allocating resources to achieve those goals. Local units have program goals as givens; their unique contribution is translating policy into action.

In this part of the report, we address the structural, procedural and managerial variables through which these goals are operationalized by local WIN units. Prior to proceeding, we must consider how they are perceived by local WIN sponsor and SAU staff. Was there a consensus on program goals and priorities among units in the same state? Did knowledge of the WIN Allocation Formula affect local unit perceptions of their goals? Were differences in goal perceptions associated with differences in performance?

WIN Sponsor

Goal consensus among local units. Most local WIN sponsor units visited had goals and priorities identical to those of the state WIN coordinator. Only eight of the 43 sample units differed from their coordinator in their perception of the WIN mission. Within each state program, the goals and priorities of the state program director had clearly shaped those of local operations. As a consequence, within the same state a high performing local unit often had the same goals and priorities as a low performer.

Local knowledge of the allocation formula. Staff in 13 of the 43 units had at least some knowledge of the allocation formula. Information on the formula had been conveyed to them with the explicit purpose of improving their understanding of program goals and the comparative importance of WIN performance measures. In one high performing state program, all units had been sent a central office memo summarizing the allocation process and formula and emphasizing those performance measures with dollar payoffs for the state agency.* In two other state programs (one a high performer and the other a low performer with a strategy for improving its performance), conferences were held to explain the formula and its key performance measures to local staff. Some other local WIN units received their information on the formula and performance measures from visiting regional office federal representatives.

Knowledge of the formula appeared to influence the performance priorities of local WIN operations. All local units that had been briefed on the formula felt that the quality of their placements was at least as important as the number of their job entries.

Informing local units about the formula and its key performance measures was a very recent development. For some local units it resulted in a reversal of priorities. These had previously stressed "the numbers game"--getting as many placements as possible regardless of expected duration or salary level. Our performance data was based on the time period prior to this development. Thus, knowledge of the formula at the time of our field work was not necessarily associated with the performance levels of local units as measured by our performance data.

Local perceptions of priorities. Table 17 presents data on the performance priorities of the 43 local units visited. A greater proportion of high performers (eight of ten) had at least some staff concerned for the quality of job entries than did average performers (ten out of 18) or low performers (eight out of 15). However, the association between priorities

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*This WIN central office memo had been intercepted by ES local office managers in two of the offices visited. These ES managers opposed the quality-of-placement WIN objective, and local WIN staff were not informed about this objective. Both units were low performers.

Table 17
Local Unit Perceptions of Priorities

	High Performers	Average Performers	Low Performers	Total
General agreement that quality of jobs was at least as important as quantity of job entries.	6	10	5	21
Some staff placed emphasis on quality of jobs, others put priority on quantity of job entries or some other measure.	2		3	5
General agreement that number of job entries was paramount.	2	8	7	17
				43

and performance level was not statistically significant.* It is not surprising that goal perception did not differentiate high and low performing local units, since both high and low performers in the same state were likely to have the same perception of program goals, as noted earlier.

Local SAU Perceptions of Their Role in WIN

More than half of the local SAU units visited thought their role in the WIN program was both to assist sponsor staff in moving registrants into jobs and to act as a liaison to other programs. These units interpreted their objective not only as providing timely and quality social services, but also as linking WIN to other welfare units such as the IMU and Title XX. Most of these SAU's were actually fulfilling this role; others were frustrated in their attempts to do so.**

Thirteen other SAU's saw themselves as playing a more limited role--predominantly paperwork and social service provision. They expressed little concern about acting as intermediaries with other welfare units. Only two SAU's saw themselves as "competitors" to local WIN sponsor units. Perceiving local WIN units as ineffective, these units operated their own placement efforts for AFDC-U applicants and recipients. We found no association between the performance of local WIN programs and the perceived role of SAU's.

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*Correlation analysis showed a mild association between the two variables (r = .229) but a t-value that was less than the critical value for a .10 level of significance. Overall performance scores, rather than performance groupings (high, average, low), were used in correlations in Part IV.

**See Chapters 10 and 11 for discussions of links to Title XX and IMU's, respectively.

2. Local Program Structure

This section discusses the structural variations found in the 43 local programs studied. It begins by examining the administrative arrangements made for WIN at the local level. Collocation of sponsor and SAU units is discussed next. A passage on local program size follows. Finally, we examine variations in the way service delivery responsibilities were structured.

Host Agencies

There was considerable variance in the host agency arrangements for local WIN sponsor and SAU units. In one state the welfare department ran the entire WIN local delivery system, including both sponsor and SAU functions. This was reportedly the only state nation-wide where all local WIN programs were totally integrated--where a single manager supervised both sponsor and SAU staff. In the other nine states in our sample, local sponsor and SAU staff were under separate supervisors.

WIN sponsor. Eighteen of our study units were integrated into the ES, four were integrated into the welfare system, and 21 were self-contained WIN programs independent of ES line authority. Whether or not WIN was separate from or integrated into the local ES was not independently associated with performance. In other words, high performing local WIN units were found both within and outside ES line authority. The same was true for low performers.

However, as Table 18 shows, an intervening, third variable--the receptivity of SESA or local ES management to WIN--seemed to be an important pre-condition for the effectiveness of line authority arrangements. In receptive settings WIN units that were within the ES line command were either high or average performers. There were no low performers in such environments. WIN units in indifferent or non-supportive ES hierarchies fared much worse. Local units that reported to ES superiors in non-supportive ES settings were low performers. Where the ES chain of command was non-receptive, high and average performers were found only in separate, self-contained WIN structures.

Table 18

Local WIN Sponsor Line Authority Patterns by SESA Receptivity to WIN and Performance Levels

		SESA Supportive of WIN			SESA Indifferent or Non-Receptive to WIN			
		High Performing Offices	Average Performing Offices	Low Performing Offices	High Performing Offices	Average Performing Offices	Low Performing Offices	Total
Integrated within ES structure	ES manager has line authority over WIN.	4	2	2*	1**	1**	3	13
	WIN manager reports to ES District/Area Director.	1	2	-	-	-	2	5
Self-contained WIN unit	WIN manager has authority independent of ES, not collocated with ES.	-	-	-	1	10	5	16
	WIN supervisor, small unit, located in ES office, but independent of ES.	-	-	-	2	2	1	5
	Totals	5	4	2	4	13	11	39***

*Aberrant cases. SESA leadership in the state where these WIN units are located was supportive of WIN, but local ES managers for these two units were extremely hostile toward local WIN program.
**Aberrant cases. SESA leadership was not supportive of WIN but local ES managers were.
***Total excludes the four units from the state where WIN local delivery system was operated by welfare.

This is further evidence that if WIN is within the ES line structure, the program must receive a certain amount of priority from the SESA to be successful. If the SESA is not receptive, a separate line of authority from the state WIN office to local operations appears best.*

SAU. As Table 19 shows, SAU structures varied considerably among the 43 local programs studied. The structure of SAU's was more complicated than WIN sponsor units since state welfare systems varied more at the local level than did SESA's. Three state SAU's in our study were self-contained within the state welfare department. In two of these states, local SAU workers were state employees in a state-administered welfare system. In the third state, local staff were county welfare employees. These 14 self-contained SAU's had only WIN responsibilities.

Table 19
Local SAU Host Agencies

		Number of local SAU's
county employees	SAU integrated into county social services structure within Title XX unit (supervisors, some staff have non-WIN responsibilities).	16
	SAU integrated into county social services structure lateral to Title XX (supervisors, some staff have non-WIN responsibilities).	7
	SAU self-contained, but county (or city) welfare employees (work only on WIN).	7
state employees	SAU self-contained, state employees (work only on WIN.)	7
	SAU integrated into state welfare, state employees (supervisors, some staff have some non-WIN responsibilities).	6
		43

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*The issue of local ES and WIN relationships is treated further in Chapter 11.

Sixteen of the SAU's studied were integrated into county social services structures, reporting to a manager with Title XX responsibilities. Supervisors and some staff had some non-WIN responsibilities, especially in smaller counties. Seven other SAU's were also integrated into the county structure but were organizationally lateral to the Title XX unit. Again, supervisors and some staff often had non-WIN responsibilities. The other six SAU's were integrated into the state welfare system and were state employees.

Whether or not the SAU's were self-contained or separate did not seem to affect their ability to perform WIN functions. Instead, the priority given WIN by the state or county welfare administration generally determined the types of relationships and interactions that occurred between the SAU and other programs, the degree to which SAU funds and staff were diverted, and how effectively the SAU could provide services. In welfare systems that gave priority to WIN, the fact that SAU staff had other program responsibilities did not appear to detrimentally affect WIN services. In some cases, SAU staff having other duties were more aware of the availability of other resources for their clients. But, as noted earlier, in state or county welfare systems with little emphasis on WIN, SAU funds and positions often went unauthorized or staff worked on other programs while charging their time to WIN.

Collocation

Collocation in the WIN program is the physical location of WIN sponsor and SAU staff on the same premises. We found various degrees of collocation at the local level. Seven different categories were identifiable in our study sites:

- Total separation of WIN sponsor and SAU.
- "Part-time" collocation. SAU staff went to WIN sponsor office at scheduled times.
- "Partial" collocation at WIN sponsor office. One or more, but not all, SAU staff were permanently located in the WIN sponsor office.
- "Partial" collocation at the SAU office. One or more, but not all, WIN sponsor staff were permanently located in the SAU office.
- Total collocation in the sponsor or ES office.

- Total collocation in the SAU or welfare office.

- IMU staff collocated with WIN sponsor and SAU in the sponsor or ES office.

Defined in these terms, some type of collocation existed in all but four of the local programs we visited. However, as Table 20 shows, degree of collocation was not associated with high performance. Only three of the ten high performing offices were totally collocated.

Table 20
Local WIN Sponsor-SAU Collocation

	High Performing Offices	Average Performing Offices	Low Performing Offices	Total
Total separate WIN sponsor and SAU.	0	1	3	4
"Part-time" or "partial" collocation.	7	6	4	17
Total WIN sponsor-SAU collocation.	1	8	5	14
Total collocation plus some IMU.	2	3	3	8
				43

Degree of collocation seemed to depend on the size of the local programs. In smaller, less urban programs SAU staff had scheduled times for being at the sponsor office to register, appraise, counsel or confer. The larger operations were more likely to have an SAU person or unit permanently located at the sponsor office or have sponsor staff at the welfare office to conduct registrations. The largest metropolitan programs studied were totally collocated, regardless of performance level. Sponsor and SAU staff occupied the same facility in all eight programs visited in urban areas with population above 350,000. Three also had IMU staff on the same premises.*

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*When all WIN cases in an urban area are consolidated and handled by the collocated IMU, reporting and communications appear to improve. In most of the WIN offices that had IMU staff, relationships between WIN and that unit were good, even though relationships with other IMU's in the city were troubled. Interactions and relationships between WIN and IMU are discussed in Chapter 11.

The degree of collocation did not seem to be associated with the type of relationship that existed between WIN sponsor and SAU staffs. Collocation in itself did not assure good relationships or coordination. There was some hostility, tension or work flow problems in six of the totally collocated units. In some collocated offices the two staffs had very little to do with each other, or the two supervisors clashed frequently. Perhaps the most extreme case was a large metropolitan office in which unit supervisors from the "two sides of the office" did not even recognize each other when called together to meet with researchers.*

Local Program Size

Size and productivity. The 43 local WIN programs studied varied widely in size--from 200 registrants to 31,000. We visited local programs with one ES staff person assigned part-time to WIN and offices with 60 or 70 WIN sponsor staff. The smallest SAU operations had one person covering several counties, the largest had over 30 authorized positions.

Table 21 presents information on sponsor staffing levels for the 43 study units. Twelve had five or fewer sponsor staff; ten had between five and ten staff; 13 had between ten and 20; and eight had over 20 staff. Staffing data for the 214 units in our ten sample states suggest that most WIN staff work in relatively small units or offices.

Over half the SAU's in our sample (24) consisted of less than three staff. Often these "units" involved only one worker reporting to a supervisor who was 25 percent to 50 percent WIN-funded and who also supervised staff assigned to Title XX, day care, refugee programs or food stamps.

In Chapter 5 it was hypothesized that program size might affect performance. However, no significant relationship was found between state program size and performance. Statistical analysis of local program size and performance was conducted using data on 154 local programs from nine of our ten sample states. It yielded similar results. We found no significant relationship between program size (number of registrants) and productivity (job entries per staff).

Staffing Intensity and Productivity

Staffing intensity varied enormously across the 214 local programs in the ten sample states. At one extreme was a site with 1.21 paid sponsor positions for each 100 registrants. At the other was a program with only .03 positions per 100 registrants. The average was .35.

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*For further discussion of WIN sponsor-SAU interactions, see Chapter 11.

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Table 21
Local WIN Sponsor Staffing Levels and Organization Structure

	High Performing Offices	Average Performing Offices	Low Performing Offices	Total
Integrated into ES Structure				
.5 to 5.0 sponsor staff	3	1	2	6
5.1 to 10.0 sponsor staff	1	1	3	5
10.1 to 20.0 sponsor staff	1	2	0	3
Over 20.0 sponsor staff	1	1	2	4
				18
Integrated into Welfare Structure				
.5 to 5.0 sponsor staff	1	0	1	2
5.1 to 10.0 sponsor staff	0	0	0	0
10.1 to 20.0 sponsor staff	0	1	1	2
Over 20.0 sponsor staff	0	0	0	0
				4
Separate Self-contained WIN Programs				
.5 to 5.0 sponsor staff	0	3	1	4
5.1 to 10.0 sponsor staff	3	2	0	5
10.1 to 20.0 sponsor staff	0	4	4	8
Over 20.0 sponsor staff	0	3	1	4
				21

Chapter 5 noted a strong statistical association between state sponsor staffing intensity and the proportion of registrants obtaining jobs. The same pattern appeared at the local level, although somewhat less strongly. Analysis revealed a significant positive correlation (r = .39) between local staffing intensity (staff/registrant ratio) and the proportion of registrants entering jobs.

The analysis considered all local programs in our ten state sample. Two factors--state level staffing/registrant ratios and program size--evidentally confounded the analysis, resulting in a lower correlation coefficient than had been found in the state level analysis. First, there were significant differences in staffing intensity among *state* programs. Local staffing levels are based on the total number of positions authorized to the state. Thus, in states with high staff/registrant ratios, local programs also had high staffing ratios. When examining the relationship between staffing intensity and proportion of registrants entering employment, local programs tended to cluster together by state, thus lowering the *overall* correlation based on local units across states.

The lower correlation coefficient, therefore, does not mean that the relationship was weaker at the local level than at the state level. In fact, further analysis revealed that the correlation between staffing intensity and proportion of registrants entering employment was as strong, and often stronger, within each of the states studied than among the ten states.* Therefore, within a given state, local programs with relatively higher staff/registrant ratios had a higher proportion of registrants entering employment.

The second important factor in analyzing staffing intensity was program size. Within any state, large metropolitan operations generally had the lowest staff/registrant ratios and the lowest proportion of registrants entering employment. In order to examine the urban operations more closely, correlation analysis was conducted across all the large programs (those 24 sites with more than 4,000 registrants) in the states studied. A significant correlation of .64 was found between staffing intensity and entered employment for these urban offices. This indicates that metro operations with relatively high staff/registrant ratios are likely to have a greater proportion of their registrants enter employment than other metro sites with a lower staffing intensity.**

Higher staffing intensity probably means more time can be spent on reporting and on serving clients (both active and unassigned recipients) and, thus, improving productivity. This suggests that local program success is susceptible, at least in part, to direct managerial influence. A state or federal decision-maker can choose to target more sponsor staff on a particular site (or type of site) with some degree of confidence that increasing staff intensity will result in a greater proportion of registrants in the targeted site(s) entering employment.

SAU/Sponsor Staffing Ratios

There was also wide variation among local programs in the ratio of SAU staff to WIN sponsor staff. On average, the 43 local programs studied had one SAU staff for every 2.4 sponsor staff. But these ratios ranged from one SAU staff for every 11 sponsor staff, to three SAU staff for every one sponsor staff. In one of the ten study states, there were 50 percent more local SAU staff than local sponsor staff. In another, SAU/sponsor staff ratios varied immensely from site to site (from 1:1.79 in two sites to 1:11.0 in two others). Analysis of data from the 43 study sites revealed no significant association between SAU/sponsor staffing ratios and overall performance.

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*Within the six states with more than ten local WIN programs, correlations between staffing intensity and proportion of registrants entering employment were: .34, .59, .61, .70, .66 and .29.

**Four of the largest metro offices visited were operating with several staff vacancies (one had 14 vacant slots). These four normally had very low staff/registrant ratios anyway, and the added burden of vacancies sometimes meant staff were hard-pressed to register clients and do paperwork and had less time to spend with each registrant.

Structure of Service Delivery

Local service delivery approach. As Table 22 indicates, service delivery responsibilities were structured four different ways in our study sites. The approach used depended in part on the size of the program, the preference of state WIN officials and the relative priority placed on various procedures. No association was observed between performance and service delivery approach, perhaps because there was so little variation across the study sites.

Table 22
Local WIN Sponsor Service Delivery Approach

	High	Average	Low	Total
1. Informal structure (small programs)	3	3	3	9
2. Team approach, with case responsible person	1	1	0	2
3. Caseload approach	2	1	1	4
4. Functional approach	4	13	11	28
				43

In programs with three staff or less, an informal structure was the norm. Each worker performed basically the same tasks, even though one might be identified as the "team leader," or "supervisor."

Most larger sites (28) followed a functional approach. The office was subdivided according to procedures, usually into three types of units: intake (registration and appraisal), job preparation, and employment services (counseling, job development, placement). The procedures and staffing of each unit varied among the sites, reflecting the priorities placed on the different functions. Within each unit, individual staff often had responsibility for a particular set of clients.

In four sites (all with about ten sponsor staff) services were delivered on a caseload basis. A client was assigned to an individual staff member who delivered or coordinated all sponsor services to that client--from appraisal to placement and follow-up.

In the two sites which followed a team approach, an interviewer, counselor and job developer usually worked together to provide all services to a client. One person was designated as team leader. Each member of the team was assigned main responsibility for different clients as they entered the program, thus combining aspects of the caseload approach with the team model. While SAU staff were not formally team members, they were included in many case decisions.

In six of the ten study states, the WIN central office staff had clearly influenced the local service approach. In five of the six, state WIN and SESA officials had developed standard structures, and all sites within a state were very similar. In the sixth state, central office staff had consciously delegated decisions on this issue to local WIN managers. A variety of approaches were adopted throughout the state, and managers reported experimenting with different structures over the years.

CHAPTER 9

LOCAL PROGRAM MANAGEMENT

The way in which local WIN managers manage may have an important influence on the performance of their units. The first section of this chapter describes the different ways in which managers conduct specific administrative functions in the 43 units studied.

A second section then discusses other aspects of local managers' behavior in these units: How much do local managers differ in delegating authority to staff? How flexible are they in interpreting regulations and procedures? Are they open to innovative changes? How much information do they communicate to staff? Do they encourage feedback and staff participation in problem-solving? Both sections of the chapter focus particularly on those management characteristics associated with differences in local program performance.

1. Local Management Functions

Chapter 6 showed that state program coordinators varied in the way they conducted managerial functions (i.e. planning, budgeting, training, reporting and monitoring) and that these variations were associated with state level program performance. High performing state operations tended to execute each of these functions one way, low performers in a distinctively different way. High performers consistently placed more explicit policy emphasis on and committed more staff and capital to these activities. The reverse was generally the case for low performers.

This section looks at data gathered on similar functions in the 43 local units. Analysis of these data was complicated by state program influences on local management behavior. Local operations are not entities unto themselves. While they have varying degrees of discretion in managing their resources and providing services, they are at the same time subject to influence by state policy, directives and suggestions. State influences can either limit or enhance the execution of local managerial functions. Thus, in states where the WIN coordinators actively and frequently monitor local programs and expect local managers to do the same, local managers are likely to emulate their bosses. Where little is done in monitoring at the state level, similar behavior might be demonstrated by local managers.

Local units are also subject to state-wide conditions that are beyond their control. For example, maintaining accurate local data reporting is a much more difficult task in states where the ADP operation is in disarray, WIN has no computer specialists to help correct the situation, and reporting system training for local staff is non-existent.

Because of the potential significance of state level influences, we have analyzed information on local management functions in two steps. First, the information was tabulated for all 43 units and analyzed. Second, it was retabulated into two general categories representing the states' posture toward the function in question and reexamined. For example, when looking at the data reporting responsibility of local managers, local units were divided into two groups--those in states with relatively accurate or improving systems and those in states where data was inaccurate and unimproved. Patterns within these two groups were then studied.

The following subsections deal with four areas of local managerial responsibility: (1) planning, (2) training, (3) data reporting, and (4) monitoring and evaluation.

Planning

Local involvement in state WIN plan development has been a WIN priority since mid-1977. WIN field memoranda refer to such local participation as "bottoms-up planning." In recent years these memoranda have specified that activity objectives developed by local units should be at least equal to their actual achievements during the prior fiscal year. The WIN manual also stipulates that local managers should use the planning process to set realistic targets for staff, to allocate resources among activities, and to identify areas where local programs could improve.

However, our field work showed that actual planning in state and local operations did not often reflect these policies. Some state programs had bottoms-up planning in some form, while others did not. Those states with local participation in plan development varied in how they interpreted the "bottoms-up" process. Some actually went through a cycle during which local units submitted estimates and negotiated with central office staff on final unit "goals." Elsewhere this process began but was disrupted by external events. In some instances the regional office increased the state's initial activity objectives, causing a unilateral increase in all local goals. In other cases time simply proved too short for completion of the full cycle, resulting in the unilateral assignment of final goals to units. Such developments led to a loss of credibility for planning by local staff.

In yet other states, the central offices gave local units their numerical objectives and told them to build a local plan around them. Thus, state decisions on how planning would occur and to what extent locals would be involved clearly influenced local planning activities and perceptions of its worth.

During our field visits to local units we obtained a description from managers and staff on how planning had occurred in past years and during the most recent planning cycle. This information is used in the following paragraphs to describe (1) the incidence and nature of joint SAU/WIN sponsor planning, (2) the attitudes and behavior of local office managers toward planning, (3) the amount of local sponsor staff involvement in plan development, and (4) the extent of local SAU participation in the development of the state SAU plan.

Joint SAU/WIN sponsor planning. Relatively few units visited (one out of five) jointly developed a local WIN plan. Most (53 percent) had just one meeting to discuss separately prepared plans. There was no contact on local plans between SAU and WIN sponsor units in seven of the 43 communities visited. However, in states where the WIN central offices emphasized planning and local involvement, a greater proportion of local units had joint planning sessions (33 percent) than in states with little or no emphasis on planning (17 percent). There was no discernible relationship between incidence of joint planning and local unit performance levels. Joint planning was just as likely to occur in low performing units as in high performing ones.

Local managers and planning. Nearly half of the managers in units studied (44 percent) treated the planning process seriously, either because state policy "required " local input to state plan development or because they themselves placed importance on planning. However, local managers in states emphasizing planning were more likely to do more than the minimum required (67 percent of units studied in these states) than those in states where planning was not emphasized (28 percent).

A bifurcation was also observed when the relationship between unit performance and the degree of managers' involvement in planning was examined. In states emphasizing planning, managers of high performing units were more likely to take planning seriously than were those of low performers.* Such a pattern did not hold for local unit managers in states where planning did not receive much priority.

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*When the extent of manager involvement and interest in planning was scaled and related to unit performance levels, a correlation coefficient of .429 resulted, significant at the .1 level.

Local staff involvement in planning. Less than a third of the local offices studied (13 of 43) involved staff in local plan development. As with local office managers, the incidence of staff involvement in plan development was higher in states emphasizing planning (44 percent of the units studied) than in those without such state level priorities (one out of five offices studied in those states). The extent of staff involvement in plan development was positively related to unit performance (r=.645)* in states emphasizing planning. High performers tended to have staff involvement in the planning process while low performers did not. No such association was found for units studied in states not giving priority to planning.

Local SAU involvement in state plan development. Only 12 of the 43 local SAU units studied (28 percent) provided some staff input to state plan development or were asked to review and comment on the plan prior to its finalization. Over a third of the SAU units (16 of 43) had absolutely no involvement in the planning. Many of these were not even aware that such a plan existed.

Training

Local WIN sponsor and SAU staff can obtain program-related training from a number of sources. State SAU and WIN sponsor central offices may provide formal training to these units either directly or through area offices. Host agencies may provide general training related to their overall agency mission. These agencies may control all training authority and resources, as was the case in two states visited. Thus, a SESA training unit might be charged with providing WIN-specific training, and decisions on curriculum development and assessment of training needs would be beyond the control of WIN central office staff.

Criteria for making formal training available to staff also varied among states. Staff training, where available, could be mandatory or provided upon request. Therefore, local managers might either have little discretion or be able to use their judgment in requesting specific training for particular staff. Local managers could choose to augment this training or could provide staff with informal training themselves in states where little or no formal training occurred. In many local WIN sponsor operations visited (21 of the 43) the only training local staff had received during the prior 12 months was on-the-job training and self-instruction on the WIN manual. In seven of these operations staff felt that even the OJT provided had been inadequate.

Analysis of data on formal training of local WIN sponsor staff indicated that local managers tended to have little influence on the amount and type of training provided their staff. If they were in states emphasizing training, staff received extensive training (85 percent of units visited in these states). Conversely, staff in only three of the 23 units in states where training was not given priority had received at least some WIN-specific training. Given this dominant state level influence, there was no discernible relationship between the extent of local staff access to formal training and local unit performance.

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*Significant at the .01 level.

However, local managers could still provide informal training in the absence of state-provided training or to supplement existing formal training. Most units studied in states with extensive training (86 percent) had local managers that also provided at least some informal training to staff. This was the case for a few units (26 percent) in states where formal training was minimal or non-existent. The extent of informal training provided staff by managers was positively related to local unit performance (r=.479)* for units in states emphasizing training. Such an association was not found in local WIN sponsor units in states not giving priority to training.

Local SAU staff access to WIN-specific training was closely linked to the amount of joint SAU and WIN training that occurred at the local level. At least one joint training session had occurred in 80 percent of the units visited in states emphasizing training. Joint training was quite rare in states with little priority on training, with only 17 percent of the units studied in these states reporting such sessions. As a consequence, local SAU staff were more likely to receive at least some WIN training in states where the training of sponsor staff was extensive than they were in states where such training was rare. The only exception to this pattern was one state where the SAU coordinator provided frequent and extensive training to local staff, but sponsor staff received no WIN-specific training.

Data Reporting

Local managers have responsibility for reporting their units' activity levels. They provide inputs to ESARS, CAS and other SESA reporting systems, and local IMU units report welfare grant reductions and "obtained employment" data. These data may be used to manage local operations as well as to hold managers accountable at higher levels within the system. Thus, the quality of input data maintained by local managers has implications for their own and state-level monitoring and accountability systems. Since these data can provide the basis for performance assessment, how well they capture actual activity levels may affect perceptions of local unit effectiveness. Reporting well or badly could spell the difference between a "high" performing operation and one with a much lower perceived performance level.

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*Significant at the .05 level.

As with planning and training, state level policy and behavior had a significant influence on how local WIN sponsor managers dealt with reporting and data systems. Only two local units of the 20 studied in state programs with serious ESARS problems felt that ESARS printouts generally agreed with their locally-maintained hand tallies. In states where ESARS were generally accurate, nearly three quarters (74 percent) of the units visited felt that their data were accurate. Across both sets of states, there were 15 local units where ESARS was viewed as a "hopeless" case. Most of these units (12) were in states where there were serious accuracy problems in ESARS state-wide. Six of these units (all low performers) did not even maintain a hand tally system either to manage with or as a means of identifying where the data problems were.

A significant positive relationship existed between the extent of local problems with ESARS and unit performance. This held for all 43 units studied (r=.306*) as well as for those in states with relatively accurate ESARS data (r=.400*) and those in states where problems were rife (r=.410*). Were some units "high" performers simply because they captured data more accurately on key performance indicators, or was accurate reporting part of a cluster of characteristics that caused services to be delivered to clients more effectively? We cannot be sure, but if part of a local operation's responsibility is to accurately report their activity levels, then failure to do so is, in fact, poor performance of an important program function.

Local IMU reporting for the WIN program was a critical problem in seven of the 43 localities studied. It involved major undercounting on both welfare grant reductions and "obtained employment." No improvement or effort to improve was evident. In another nine units some undercounting was occurring, combined with significant time lags on reporting data, with no apparent improvement. In the remaining units, either accuracy and timeliness problems were minimal (20 units) or significant improvements in reporting had occurred due to local initiatives by the WIN sponsor, the SAU or both (7 units). Local units in states that generally had accurate ESARS data tended to have fewer problems with IMU reporting. Local programs that made an effective effort to keep their ESARS data clean also actively sought to improve IMU data through frequent personal contacts between supervisors or staff, joint training sessions or presentations on WIN. Those not giving much priority to improving ESARS data accuracy tended to have the same attitude toward the IMU data. There was no perceivable relationship between the accuracy of local IMU data and local WIN unit performance.

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*Significant at the .05 level.

Monitoring and Evaluation

The three management functions that have already been discussed--local planning, provision of staff training and data reporting--may have a combined influence on the monitoring and evaluation activities of local managers. When local planning generates realistic activity level objectives for the unit and staff are involved in the planning process, accountability may be enhanced. Staff should know what is expected of them, since they contributed to the expectations. Provision of staff training on form completion, data inputing and error corrections should improve the accuracy of the data upon which the office is managed. How these data are used in identifying problems and developing ways of resolving them depends in part on the training local managers and supervisors have received. The subsections which follow address the extent, basis and character of local program monitoring.

Extent of monitoring by local managers. All high performing local units studied had office managers or supervisors who monitored on an on-going basis. This was less prevalent among average performers, occurring in two-thirds, and was the case in only a third of the low performing offices. In 15 of the 43 units studied, there was little or no use of data by managers in monitoring their local programs. The prevailing attitude in these units was that upper management did such monitoring and if there were problems with the unit's performance they would be brought to the attention of the local manager. (Unfortunately, most of these units were in state programs where state WIN coordinators had similar attitudes and very little monitoring of local units was occurring.)

The frequency and degree to which local managers monitored their operations was correlated positively to local unit performance (r=.524).* The more extensive and frequent the monitoring of the local manager, the higher was the performance of the unit. State policy and practices on program monitoring did not appear to have a dominant influence over local behavior. However, the relationship between the monitoring practices of local managers and unit performance was somewhat stronger in units where the state central office also emphasized monitoring (r=.682)* than elsewhere (r=.486)**.

Types of performance standards used in mointoring. Local office managers took a number of approaches to monitoring. One involved primarily looking at unit or office-wide activity and performance levels. In some of these sites expectations on performance were based on what managers felt was an acceptable level of activity given local labor market conditions, the flow of clients, the characteristics of the existing pool of registrants and other

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*Significant at the .01 level.

**Significant at the .05 level.

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factors beyond the control of staff. Monitoring was based strictly on how well the office was achieving its planned goals on certain key indicators. A second approach involved monitoring the performance of individual workers and reviewing their productivity relative to expected levels of performance.

Analysis of these data showed that those units where office-wide or unit goals were used tended to perform better than ones with goals or quotas for individual workers. Managers in most of the high performing units (70 percent) monitored primarily on the basis of unit or office-wide performance. However, most of these managers also maintained data on individual workers. This permitted them to diagnose possible sources of problems when and if they arose. Two of the remaining three high performers primarily monitored individual workers. These were small units where quotas were not constant across workers but were tailored to the skills, experience and caseloads of the service providers.

Few of the average performers (28 percent) or low performers (20 percent) monitored only on the basis of unit or office-wide performance. Over half of the average performing units had set identical quotas for individual workers regardless of their experience or caseload responsibilities, or did little or no monitoring of any kind. The same was true for low performers (73 percent).

Basis for monitoring. Chapter 6 discussed activity goals developed during the planning process and their use in monitoring local programs. Some local operations appeared to have unrealistically low planning goals which were easily attained during the course of the year. As a consequence, it was not unusual to come across units that were "achieving 150 percent of their goal levels" on certain key performance indicators. In other cases, local units complained about unrealistically high goals. Often this perception of staff was supported by our own statistical analysis of environment and performance. If either under- or over-estimation of unit capabilities occurred, the operation could suffer. Units that "low-balled" on planning objectives might tend to relax their effort once these goals had been attained. Units with goals that were consistently too high might become discouraged. Both sets of responses could result in staff working below their potential.

Half of the units studied in states where the WIN central office stressed monitoring felt that their goals were set at realistic levels. This same perception was held by a third of the units in states not emphasizing monitoring. Analysis showed a significant positive correlation between staff perceptions of how realistic activity goals used in monitoring were and local unit performance (r=.559*). As goals used in monitoring became either too low or too high relative to perceived unit potential, the performance of units decreased.

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*Significant at the .01 level.

Extent of local SAU monitoring effort. As stated in previous chapters, there are no generally accepted formal performance measures for SAU units. Also, the extent and nature of qualitative information provided by local SAU units varied from state to state and, in states with county-operated welfare systems, from county to county. Despite these limitations, our field work suggested that local SAU supervisors were more likely to monitor and evaluate their staff periodically than were sponsor supervisors. Less than 10 percent of SAU units studied had little or no supervisor monitoring, compared to over a third of the sponsor units.

Only nine of the local SAU units studied had participated in a joint review of their local operations with WIN sponsor staff. In seven of these sites there was a formal policy of regularly scheduled joint reviews. However, joint SAU/WIN sponsor reviews of local operations were just as likely to occur in high performing local programs as in low performing ones.

2. Local Management Style

Analysis of WIN local management style is complicated by the fact that the program takes various organizational structures at the local level. The WIN sponsor "manager" might be the WIN office manager in a WIN-only office but might also be an ES local office manager, an ES placement supervisor, or even a welfare office manager. Four elements of local managers' style were analyzed, regardless of their job title:

- Flexibility and delegation of authority.
- Innovativeness.
- Communication.
- Interpersonal interaction with staff.

This section presents the results of that analysis, first focusing on WIN sponsor managers and then SAU's.

WIN Sponsor

Managerial flexibility and delegation of authority. WIN units have many procedures and functions that are standardized. State regulations govern the management of personnel, equipment and office space. Federal regulations stipulate service delivery procedures and paperwork. However specific these regulations, managers still have room for interpretation and flexibility.

Analysis showed a positive association between performance and managerial flexibility.* Managers of high performing units were often as flexible as state policy would allow on working hours, coffee breaks, dress codes and personal leave. Several had introduced flex-time or relaxed chain-of-command requirements. They said that flexibility was necessary to motivate staff productivity and maintain morale. However, in all of these high performing offices, flexibility was coupled not only with greater communication and staff discretion but also with accountability systems that permitted the manager to monitor staff performance levels.**

Data on managerial delegation of program authority (i.e. decisions on service delivery and case management) to staff revealed a similar picture. As Table 9.1 suggests, performance variation was associated with greater delegation of authority in combination with more monitoring and exchange of information.***

Table 23 shows that 12 of 14 low performing offices had managers who were either reluctant to delegate or delegated responsibility without much monitoring or transfer of information. High and average performers were more likely to have delegative managers who emphasized accountability and responsibility along with delegation. In the best performing offices, a high degree of delegation was combined with strong internal monitoring and extensive exchange of ideas or information. Staff had considerable control over how they scheduled their work and performed their tasks, and they were included in internal decision-making. They were expected to abide by those decisions and were held accountable. Managers said that they allowed different degrees of discretion to different staff, giving more structured assignments to those who "needed direction".

Three high performing units had formal managers who involved themselves little in local program operations. One was an ES manager, the other two were WIN managers covering more than one office. These managers delegated total program responsibility to staff and were personally supportive. But they did no monitoring and had limited program expertise. Staff worked together in two of these offices to develop close relationships with the SAU and other organizations as well as innovative job search and job development techniques. In one of them, staff set up their own collective decision-making processes and worked cooperatively on most matters. In the third office, the WIN staff received direction, guidance and assistance directly from the state WIN staff. In all three cases, the staff was able to succeed despite lack of leadership from the formal manager.

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*There was a .381 correlation, significant at the .01 level, between flexibility and local unit performance in our sample.

**This is not to say that a WIN unit can never succeed under inflexible management. In two fairly high performing sample units, procedures were structured and policies were inflexible. However, staff were kept well-informed, manager and staff exhibited a close relationship and mutual respect. There was no apparent tension over the manager's inflexible style.

***In our sample, there was a correlation of .397, significant at the .01 level, between performance and type of delegation.

Table 23

Local WIN Sponsor Managers' Approach to Delegation to Staff

	High Performing Offices	Average Performing Offices	Low Performing Offices	Total
Reluctant to delegate. Assigned all tasks. Little staff discretion. Manager handled "exceptions".	0	2	5	7
Delegative, but no monitoring or accountability. Perhaps disinterest or "non-manager".	3	2	7	12
Moderately delegative. Tasks are assigned, but some discretion in scheduling, case responsibility, daily tasks. Some monitoring occurs.	2	7	2	11
Very delegative, but with detailed monitoring and accountability. Substantial manager-staff interaction. Staff involvement in task assignments, planning or goal setting.	4	5	0	9
				39

Innovativeness. The overwhelming majority of local WIN managers were either moderately or highly receptive to innovation, according to their subordinates and their superiors. Twenty managers were identified as moderately receptive. They were reportedly willing to listen to staff suggestions but rarely had innovative ideas of their own. They were also inconsistent in their willingness to act on new ideas proposed by others.

Thirteen others were classified as very innovative. They encouraged staff ideas, suggestions and feedback. They tended to develop their own innovations or experiments and to request waivers or funds to test them. Innovative managers might, for example, restructure their units, attempt different ways of delivering services, or develop special projects for subgroups of registrants such as WIN youths or unassigned recipients. In several high performing units, techniques were developed for promoting WIN with employers, increasing job development activities, or streamlining paperwork for OJT contracts. Some innovative sponsor and SAU managers also jointly developed projects to better utilize resources outside the program.

Only five of the 43 managers studied were described as resistant to change or reluctant to consider innovations. These five were also described as cautious, concerned about their own positions or unwilling to attract central office attention to their units. None were in high performing offices.

Communication. As Table 24 suggests, the WIN sponsor manager's posture toward intra-office communication was significantly associated with performance.* Managers in better performing units tended to emphasize systematic distribution of information and more frequent internal discussion. They encouraged staff feedback on regular program guidance and distributed WIN-related research studies or news articles. In low performing offices managers generally shared less information with staff. In 11 of 14 low performers, there was also little managerial concern for discussing information that was received.

Managers' communication style appeared related to their motivation and accountability techniques and to staff perceptions of managers' expertise. In the 18 offices where communication was emphasized, staff said that, because they were kept informed, they felt more responsibility for results. These offices tended to have more effective systems for reporting and for early identification of potential problems. Their staff had positive perceptions of the manager's program expertise, reporting that their manager could provide policy or technical assistance when they needed it. In contrast, staff in offices with less emphasis on communication often felt their managers could add little to their own program knowledge.

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*The correlation between manager's posture toward communication and performance in our 43 sample offices was .437, significant at the .01 level.

Table 24

Local WIN Sponsor Managers' Posture Toward Communication

	High Performing Offices	Average Performing Offices	Low Performing Offices	Total
Little or no sharing of information with staff, except perhaps routine personnel or program memos.	0	3	7	10
Routine downward distribution of information, but no effort to coordinate or discuss. Little or no interest in staff feedback.	3	3	4	10
Systematic information distribution, discussion and feedback. Information broadly shared. Conscious effort to encourage staff feedback.	6	3	3	12
				32

Interpersonal interaction with staff. With few exceptions, staff characterized their manager as approachable and sensitive to their personal or career concerns. In only seven offices (none high performers) staff reported that the manager was insensitive, harsh or unapproachable. Where insensitivity or aloofness did exist, the manager's attitude was sometimes counteracted by an intermediate supervisor. In only two offices was the manager's harshness so serious a concern that staff dwelled on it during interviews.

While most subordinates saw their managers as sensitive and accessible, more staff in high and average offices felt their managers were willing or able to act in their behalf in personnel or policy matters. This was true in seven of ten high and eight of 13 average performers. On the other hand, managers in low performing units were usually described as either accessible and friendly but ineffectual (six cases) or harsh and aloof (four cases).

SAU

Our analysis of SAU managers' style focused on the 13 sites where the SAU consisted of five or more staff and there was some on-site supervision. We found very little variation in SAU management style across these units. Staff in all of them said their supervisors were accessible, reasonable and sensitive to staff career and personal concerns. Workers generally felt that the procedures were tight and the paperwork burdensome, but in all 13 units they said their supervisor allowed leeway wherever possible. Staff consistently reported the atmosphere within their unit was friendly, informal or casual.

SAU managers were generally reported to be receptive to innovations. In fact, eight of the 13 were promoting demonstration projects on alternative methods of delivering services. In some offices SAU staff were counseling unassigned recipients or conducting some sponsor functions, such as development of job or training slots. Some were operating demonstration projects involving the use of Title XX funds, for example, to train WIN youths or to help WIN mothers become eligible for day care licenses. Several were involved in the development of systems for coordinating WIN reporting with other state and local welfare programs.

Some variation was observed in delegation of authority and accountability. Seven of the SAU supervisors allowed a moderate degree of staff discretion but did a minimal amount of monitoring. These seven were often described as "coordinators" by themselves and by their staff. They were available for advice, information and guidance but did not exert much control or accountability. The other six supervisors were very delegative but they had regular monitoring systems which they used to identify staff development needs as well as for accountability.

Although several components of WIN sponsor management style were associated with local program performance, SAU management style was not. This may be partly due to the small size and lack of variance of our sample. But it may also be related to the fact that local SAU's are not directly responsible for conducting or reporting any of the major activity categories currently used by the national program to measure performance (see Chapter 2). As a result, it is difficult to determine whether a particular SAU is performing well or badly and, thus, whether it is optimally managed or structured.

CHAPTER 10

SERVICE DELIVERY PROCEDURES

The purpose of all the elements of WIN discussed to this point is to provide structure, support and guidance to the actual delivery of services to program registrants. This chapter focuses on those services. Procedures for delivering services are prescribed in some detail in program regulations, handbooks and directives. However, considerable variance was observed in the way local units actually conducted some service delivery functions. This chapter describes those variations and identifies which ones were associated with local unit performance. The procedures and functions examined fall into three categories:

Standardized Procedures	Guidance and Services	Employment/Training
Registration/Appraisal	Labor Market Exposure	Placement
Employability Plan	Job Seeking Skills	PSE/OJT
Certification	Supportive Services	Training
Follow-up		
Adjudication		

Several important perceptions emerge. First, our findings suggest that high performing WIN sponsor units tend to deliver key services such as job search assistance and job development differently from low performers and from mainstream employment service units. Second, contrary to some expectations, our data indicate that the role the SAU plays and the mix of supportive services it delivers may influence overall local program performance.

Lastly, the information presented here, although limited by the nature of our study sample and the character of our data, has important implications for the future delivery of welfare-employment programs. Whether the implementing structure is the same or different, many functions similar to those in WIN will have to be conducted at the service delivery level to serve clients with similar barriers to employment. Successful strategies developed in local WIN units would provide insights on how to better facilitate employment of welfare recipients.

1. Standardized Procedures

Procedures that were fairly standardized and required substantial paperwork were performed routinely in most local WIN units. With few exceptions, little variation or association with performance was found.

Registration/Appraisal

Welfare departments are supposed to refer to WIN those AFDC applicants and recipients who are required to register for the program. Those persons not required to register are to be informed about WIN and given an opportunity to volunteer. According to WIN staff, the mandatory registrants were generally referred according to procedures. There were, however, complaints concerning the lack of volunteer referrals.* Staff in four of the study states reported that the number of mandatory referrals to WIN had substantially decreased over the past year. Local units that were experiencing a decrease in mandatory registrants were making efforts to encourage more volunteers by improving coordination with the IMU, developing outreach programs, or exploring training opportunities which could attract volunteers. Where the flow of registrants had remained constant, little priority was put on serving volunteers.

Registration for WIN was handled either at the welfare intake point or at the WIN office after referral from intake. In many places attempts were made to avoid needlessly "shuffling" the clients back and forth. In four sites some WIN sponsor staff were located in the welfare office to do immediate registration and appraisal. SAU staff in two places conducted pre-appraisals in the home and began arranging needed services or prepared forms and written reports which speeded up the formal appraisal. In several instances SAU or sponsor staff transported clients to the office for appraisal of their employability and service needs. A joint sponsor-SAU "group appraisal/orientation" was conducted in one office to complete necessary paperwork before clients were individually seen by counselors.

In 15 sites appraisal sessions were held at the time of registration. In the other 28 sites registered clients were scheduled to return for an appraisal session, usually within a few days of registration. High performing offices were just as likely as low performers to have separate registration and appraisal.

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*The proportion of voluntary registrants may have been related to the sample states' average AFDC grants. In two states with very low grant levels, volunteers comprised 50% or more of the total number of registrants. In the sample state with the highest grant there were very few volunteers. Local staff across the ten states were not in agreement on the employability of volunteers compared to mandatories. Many said that volunteers were only interested in training or had unrealistic expectations of jobs they could qualify for, so they often dropped out of WIN. However, others reported that volunteers were more "motivated," easier to place and had better retention rates.

We found no association between performance and joint appraisals. In 25 of the 43 sites visited, joint appraisals were conducted whenever possible. In 13 places there were sequential appraisals; and in five sites welfare or SAU staff appraised, but sponsor staff did not.* Whether or not the appraisals were joint also had little to do with collocation. Eleven of the 25 totally or partially collocated offices did not conduct joint appraisals. Two reasons were often given for separate appraisals. First, WIN sponsor staff usually outnumbered SAU staff and an SAU worker might not always be available. Second, many SAU staff said they preferred separate sessions because they felt sponsor staff tended to dominate joint interviews, affording the SAU little opportunity to appraise the clients' service needs.

Employability Plan

Employability plans are intended to help establish a client's occupational goal and service needs. The plans were usually developed at the time of appraisal. In 21 sites they were not taken seriously by staff and were considered just "more paperwork". In some localities staff believed there was very little choice in the type of job a client might obtain, and often the option of "training" was limited to obtaining a high school equivalency. In seven other sites staff emphasized developing the plan and often involved the client. They knew the plan would be meaningless when it came to actual referral or placement but continued to emphasize it as a tool for motivating clients.

In the other 14 sites, the employability plan was emphasized, considered realistic and used for case management. In four of the 15 the SAU had real input in developing the plan. In the other ten sites WIN sponsor staff in effect operated alone, even though SAU staff might actually be present if the plan was completed at joint appraisal. There was no association between developing meaningful plans and overall performance.**

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*Four of the five were in the state where the welfare department operated the program. Intake functions for all the department's programs were centralized, and appraisal of services needed by WIN registrants was done at the intake point.

**However, in some offices, the plan was used as an integral part of the job search process and was often modified as the clients gained more insight into their own capabilities and labor market realities. Provision of job search skills was related to performance, as discussed later in this chapter.

Certification

In all but five of the 43 sites, a "request for certification" for supportive services was submitted to the SAU at the time of appraisal. In the other five offices a request was made only when a job became available.* There was however substantial variation in how the process was handled. If no services were required, the certification process was often "automatic", meaning the certification forms were completed on the spot. In some places, all certifications were automatic, then if a job was available at a later time, the SAU would try to arrange needed services. Automatic certification was most common in two states where the SAU central office had emphasized maximizing the number of certifications. In other sites, however, certification was not requested if services were not required. In one large urban area there was no available licensed child care at all, so no certifications were requested if child care was needed. If a job was available, clients were told to try to find their own child care and were placed without certification. In another urban site certification requests at one time had been delayed up to 18 months. Since office policy was that registrants had to be certified before moving on to the next unit for counseling or placement, hundreds of clients had not proceeded past the appraisal point.

As discussed in Chapter 2, analysis of program reporting data revealed no association between number of certifications and performance. Our site interview data suggests that there is wide variation among states in the certification requirement. Thus, it may be futile to compare states on the number of certifications requested or completed, with or without services. It may be more meaningful to compare the types of supportive services or counseling clients receive, as suggested later in this section.

Follow-up Procedure

The 30-day follow-up contact on clients entering employment is crucial to the retention rate performance measure. At the time of our fieldwork, most local staff knew the importance of the follow-up, and managers were emphasizing it. In only seven of the 43 sites (all low performers) was there evidence that the 30-day follow-up was not being done conscientiously. In most other places the employer was called first to verify employment, but staff in several offices contacted the client first if they thought the employer might react adversely to learning that the client was on welfare.

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*One high performing state program requested and was granted a waiver from the regional office allowing the use of WIN funds to provide services to applicants not yet actually on the AFDC rolls. A high performing office in another state had special demonstration funds that could be used to certify and arrange services for AFDC applicants. In two other states Title XX funds or general assistance funds were used for AFDC-U applicants needing services.

Four local offices routinely went beyond the required 30-day contact. In two of these (one high and one average performer), clients were contacted once a week within the 30-day period. In one other high performing office there were regular 30-day, 60-day, 90-day and 6-month follow-ups. Sponsor and SAU follow-ups were coordinated to avoid duplication. In the fourth site (also a high performer) there was a 90-day follow-up in addition to the 30-day contact, plus a spot check on two or three percent of the placements after two years.

Adjudication

All registrants are entitled to have appeals or grievances heard by a review panel under WIN adjudication procedures. Mandatory registrants who are not cooperating with WIN can be deregistered from the program and have their AFDC grants decreased. These registrants are entitled to a hearing before their grant is cut. "Sanctionable" behavior includes refusal to appear for interviews or to accept offered employment or suitable child care. The WIN sponsor must issue a formal "notice of intended deregistration" informing the registrant of impending action, explaining the reasons for sanctioning and offering assistance in preparing a hearing request. The WIN sponsor is supposed to attempt to reconcile the situation with the client within 30 days of the notice. Once the WIN sponsor or designated hearing officer has determined that the refusal to participate has been without good cause, the SAU is supposed to attempt to persuade the client to participate during a 60-day period of counseling. The client is then either returned to the program or deregistered and the grant cut.*

Some of the most frequent complaints local staff had about the WIN program concerned the adjudication process. The problems most often mentioned concerned communications and coordination between the WIN sponsor, the SAU and the IMU. Many staff said IMU workers did not understand WIN procedures and often did not communicate grant actions to WIN staff.

In three of the study states adjudication was given high priority and several WIN sponsor staff at the state and local level worked full time on adjudication. Local staff in these states, however, reported very serious procedural problems. They had difficulty obtaining grant change information from the IMU and also cited problems in coordinating sponsor and SAU functions. Overloads seemed a contributing factor. For example, in one urban office there was an average of five new 60-day counseling cases for each SAU worker every week. That SAU had several staff vacancies and could not possibly counsel all the cases referred by the sponsor staff. Many clients were deregistered after 60 days whether counseled or not. In four large local programs the IMU was very slow in completing grant changes, in one case being over a year behind. Thus, many clients who were deregistered "on paper" were unaffected in reality.

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*The IMU is notified of deregistration and must adjust the family's grant accordingly. The deregistered client's portion of the grant is deducted and a "protective payee" account is established to provide the AFDC assistance by paying vendors directly. After 90 days, the client may re-apply for WIN and, if cooperative, have the full grant restored.

Outside of these three states problems were reportedly less severe. Coordination with the IMU was a continuing problem, as discussed in Chapter 11, but WIN staff said they could usually follow-up on adjudication cases. The status of individual clients and grant changes could be checked with the IMU. Other problems centered on disagreements between sponsor staff and SAU staff about whether a "notice of intent to deregister" should have been issued. SAU staff knew the sponsor had final authority on the decisions, so the disagreements were usually not prolonged.

There was great variation among local units in the emphasis placed on adjudication, in part reflecting local attitudes towards welfare. In states or counties where we were told there was a negative public attitude toward welfare, WIN was more likely to emphasize adjudicating non-cooperative clients, especially men. In other places WIN staff were not as anxious to cut grants. In two states there was an aggressive attitude toward quickly sanctioning men, but women were treated more leniently.

In general, all states had adjudication plans and procedures, and most local programs (24) emphasized adjudication for non-cooperative clients. As Table 25 shows, staff in seven offices said they had "enough clients who want to work", so they did not bother with those who did not want to cooperate. In seven other offices we were told they rarely initiated adjudication, since most clients cooperated. Staff in these places felt most problems could be solved without full sanctions and emphasized counseling individuals who seemed uncooperative or missed appointments.

Table 25
Local WIN Policies Toward Non-Cooperative Clients

	High Performing Offices	Average Performing Offices	Low Performing Offices	Total
1. Little or no adjudication; "don't bother with clients who don't want to cooperate."	-	1	6	7
2. Emphasizing adjudication, but many procedural problems, and little counseling.	-	3	4	7
3. Very little adjudication needed; emphasize counseling the few who don't cooperate.	5	2	-	7
4. Emphasize adjudication, particularly 60-day counseling; sponsor and SAU in agreement.	5	9	3	17
(insufficient information)	-	3	2	5
				43

We found no relationship between performance and whether or not a local unit emphasized adjudication. However, there was an association between performance and how local offices dealt with non-cooperative clients.* As Table 25 also indicates, all ten of the high-performing units in the sample emphasized counseling and working with those clients. Five of the ten followed regular adjudication procedures, particularly emphasizing the SAU's 60-day counseling. Staff felt the counseling was very effective and that full sanctions or grant actions were usually not necessary. In most cases, the WIN sponsor staff consulted with the SAU before issuing a "notice of intent to deregister", thus minimizing the possibility of later disagreement. In the other five high-performing programs, very few cases ever entered the adjudication process. Staff in these offices said they counseled individual clients and rarely had to initiate formal action.

In contrast, in ten of the 15 low-performing programs there were either serious problems with the adjudication process (4 cases), including deregistration without 60-day counseling; or staff simply ignored those clients who refused to participate (6 cases).

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*There was a correlation of .409, significant at the .01 level, between local unit performance and method of handling non-cooperative clients, as reported in Table 10.1.

2. Guidance and Services

Labor Market Exposure (LME)

According to the WIN Handbook, clients in AFDC applicant status are to be placed in LME and given access to job listings and Job Bank and exposure to job search possibilities. In only one state in our study was LME defined in this way and emphasized. In that state all applicants for AFDC were put into LME, and all males were expected to find jobs. In fact, 60% of all job entries in that state were from LME. In the other nine states all registrants were instructed in using job listings or Job Bank microfiche, but there was general agreement that LME rarely led to jobs unless it was integrated with training on how to search for a job.

In the ten local sites where staff said LME was emphasized, we found that often this meant all registrants--not just AFDC applicants. In all ten of these sites, "LME" was used as part of the job search component. But, many offices that reportedly did not emphasize LME were in fact providing the same exposure individually or as part of the intensive manpower services component (IMS). There was, therefore, some discrepancy on how LME was defined at the local level, whether just AFDC applicants were put into the component for reporting purposes, and what staff meant when they said LME was (or was not) emphasized.

Job Seeking Skills

There were similar definitional problems with the intensive manpower services (IMS) component. IMS components are meant to provide clients with necessary job seeking skills. Thirty of the sites studied, including all ten of the high performers, did have established methods for improving clients' job search ability. In some offices this was called IMS, but in others the skills were provided in an "orientation" session. In two high performing units there was no formal orientation or IMS, but staff individually counseled and trained all clients in job search and job interview techniques.

Table 26 classifies sites by their method of providing job seeking skills to clients. In 13 offices there was little emphasis on job search activity even though five formally had an IMS component. In four of these five offices clients were merely told to apply for a certain number of jobs and report back in a week or two. They received minimal staff guidance and no monitoring. In the fifth, WIN contracted with a community organization to provide job search skills, but only a small proportion of clients were referred to those classes.

Table 26
Local Provision of Job Seeking Skills

		High Performer	Average Performer	Low Performer	Total
No emphasis on job search assistance	1. Little attention to providing job search skills. (IMS "on paper" but not emphasized.)	-	1	4	5
	(No IMS or other method used to provide skills.)	-	4	4	8
Emphasis on job search assistance	2. No formal component, but priority given to providing skills through individual counseling.	2	-	-	2
	3. Emphasis on providing skills through group orientation.	2	4	-	6
	4. Emphasis on providing skills through IMS Component.				
	(Group IMS.)	3	6	6	15
	(Individual IMS.)	3	3	-	6
	(insufficient information	-	-	1	1
					43

Twenty-one sites had formal IMS components and emphasized providing clients with job search skills. Fifteen of these had group IMS sessions which typically consisted of about one week of orientation or job guidance workshop and included role playing, interview techniques, grooming, and outside speakers. A period of monitored job search activity followed which lasted up to eight weeks in some places.* This involved weekly or even daily contact between client and staff. In several offices the emphasis was on clients doing their own job search. In others, staff referred clients to specific openings. In six offices staff worked with individuals rather than groups during IMS.

In the 21 offices with a functioning IMS program, the most job ready clients were formally placed into the component. However, in eight of these offices, everyone informally received the same type of job search training. Staff in two high performing offices told us all registrants were really in IMS, but "we just do paperwork on enough of them to reach our quota."

Six offices had intensive group orientation sessions for all registrants. These sessions were in many ways identical to group IMS sessions in other sites and were followed by individual counseling and referral or job search. In fact, at least three offices had both group orientation and IMS, with much duplication in the two sessions. In all three cases, there had always been an intensive orientation, but an IMS was added to comply with program directives. Two small high performing offices did not have an IMS or a formal orientation, but staff emphasized providing all clients with job search skills and labor market information.

Thus, having a formal IMS component did not necessarily mean clients were improving their job seeking skills. Staff in high performing offices were more likely than low performers, however, to have a conscious policy for providing job search assistance.* In all ten high performing offices priority was placed on improving all registrants' job search skills and knowledge of the labor market.

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*There were various types of group IMS sessions. For example, two states had recently begun "Job Club" approaches in some offices. Clients met in groups, discussed job search issues and shared leads on employment opportunities. Another state had a module system of orientation, guidance, job search and placement, and clients were assigned to modules depending on the amount of job preparation and guidance needed. In four local sites the IMS activity had been contracted out to community-based organizations. Some states had strict guidelines for local units to follow in setting up IMS plans, other states left this to the discretion of local managers.

There was also a significant association between performance and whether or not clients did their own job search.** As Table 27 indicates, in half of the high performing units, clients were expected to use the skills provided and find their own jobs (with staff guidance).

Table 27

Local Emphasis on Client Job Search

	High Performing	Average Performing	Low Performing	Total
1. Little provision of job search skills.	-	5	8	13
2. Staff provide clients with job search skills, then refer to openings.	5	12	4	21
3. Staff provide clients with job search skills, then expect them to do own job search.	5	1	2	8
(insufficient information)	-	-	1	1
				43

Supportive Services

According to program guidelines, WIN can provide clients various types of supportive services, mainly through the SAU. These services include child care, remedial medical assistance, counseling, family planning, financial management, transportation and emergency funds. Clients can also be referred to other agencies for these and other services.

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*There was a significant correlation between performance and emphasis placed on providing job search skills (r = .373 significant at the .01 level). Performance was not associated with whether the skills were provided formally or informally, in a group or individually.

**There was a correlation of .370, significant at the .01 level, between performance and the three categories of client job search.

Child care. Child care was the main supportive service provided WIN clients in our sample sites. In 24 of the 43 sites there were serious problems in arranging needed child care. Staff reported shortages in number of licensed day care homes and centers. The problem may have been understated since four of the 11 sites that did not feel child care was a problem were in a state where WIN concentrated on placing men and did not provide child care for their children. Staff in four other sites said they had enough care for pre-school children but had problems with after school, infant, night and weekend care. Availability of adequate child care was a problem in both high and low performing programs, and the shortage was probably one reason why SAU's often underspent budgeted funds.

According to local staff the day care shortage affected the program in several ways. Some staff mentioned that the shortage of child care gave some mandatory women registrants an easy excuse for not cooperating. They said that clients who were seriously interested in working could usually arrange their own child care. Those who did not want to work knew that if they informed WIN that they could not find a babysitter, they would not be forced to work.

Federal funds for day care can be used to pay licensed homes or centers. In 18 of the 43 sites studied, however, most child care was reportedly provided by friends or relatives of clients, as Table 28 indicates. In several offices clients were urged to find their own babysitters. But it is uncertain whether informal care was used because of the general shortage of licensed care or because parents preferred friends or relatives.* Predominant type of day care was not associated with local program performance.

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*Studies show that the most prevalent type of child care nationwide is informal. The few studies on parents' preferences indicate that parents of all economic classes tend to prefer informal care for their children. See Woolsey (1976) and Woolsey and Nightingale (1976).

Table 28
Predominant Types of Child Care Arrangements for WIN Clients

	High Performing Offices	Average Performing Offices	Low Performing Offices	Total
1. Most care is in day care centers.	-	2	1	3
2. Most care is in licensed day care homes.	3	4	4	11
3. Use centers and licensed homes equally.	4	1	2	7
4. Most care is by babysitters friends, or relatives.	3	10	5	18
(insufficient information)	-	1	3	4
				43

Other supportive services. The provision of services provided other than child care seemed associated with performance, as Table 10.5 indicates. In four low performing offices very few services other than child care were provided. In 24 programs the SAU provided child care and referral for other services, but only in certain cases did these SAU's do counseling or make home visits (i.e., 60-day counseling and checking child care arrangements at home). Many SAU staff in these sites felt their training as social workers was being wasted.

SAU staff in the third category were much more involved with all clients. They counseled clients jointly with sponsor staff. Home visits were considered very important and were done for all registrants. In some cases SAU staff were developing programs to train day care mothers, or were participating in role-playing sessions in IMS or orientation. They provided counseling on family planning or household management and emergency money or transportation for clients. Seven of the ten high performing local programs provided a wide range of services.*

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*There was a correlation of .381, significant at the .01 level, between performance and provision of services as categorized on Table 29.

Table 29
SAU Provision of Supportive Services Other than Child Care

	High Performing Offices	Average Performing Offices	Low Performing Offices	Total
1. Mainly child care.	-	-	4	4
2. Mainly child care, plus counseling or home visits for certain cases only.	3	12	9	24
3. Many services or activities beyond child care, for all clients.	7	5	2	14
(insufficient information)	-	1	-	1
				43

Title XX. WIN often has access to resources from other community agencies. While links to other local programs will be discussed in Chapter 12, Title XX will be examined here because of its importance in the provision of supportive services.

The most frequent connection between WIN and Title XX occurred when an employed client was deregistered from WIN, and funding for continuing social services was transferred from WIN to Title XX. As Table 30 indicates, in eight sites studied this was the only contact WIN staff reported having with Title XX. Problems in this transition were sometimes reported to influence WIN clients' job retention. Staff in several local offices said that it was not uncommon for a WIN client to quit a job if a disruption in day care occurred.

In 17 sites staff reported smooth transitions to Title XX funding, with little or no disruption of services or payments. Fourteen of these SAU's were in Title XX units of county welfare agencies. The transition of cases was smooth partly because SAU workers often had Title XX responsibilities as well. Three other sites reported fairly smooth transition because the SAU notified Title XX 30 days in advance of case transfers.

Table 30

Local WIN Uses of Title XX Resources*

	High Performance Offices	Average Performance Offices	Low Performance Offices	Total
1. No use of Title XX (except for transition after SAU coverage).	3	3	2	8
2. Refer to Title XX for services WIN can't provide.	2	6	1	9
3. Can use some Title XX funds for services as well as referring.	-	4	1	5
4. Substantial supplement by Title XX (funds, staff) plus services and referral.	2	4	5	11
(insufficient information)	3	1	6	10
				43

Staff in two states with very low average AFDC grants reported having few problems with transition to Title XX, evidently because so few employed clients required paid services. The main benefits WIN clients might continue to receive once they were employed were Medicaid and food stamps, and neither require contact with Title XX.

In ten other local units, the transition to Title XX was not smooth. Several staff said payments to vendors were usually delayed for a month or two, even though the service itself was not interrupted. In two states local staff said there was generally a disruption of either payment or service when the client transferred to Title XX. In some counties Title XX workers had to recertify child care before the vendor could be paid. Several SAU managers solved these problems by providing Title XX with advance notice of needed services, as mentioned above.

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*The information presented here is based on interviews with local sponsor and SAU managers and staff and may understate the actual case. Some respondents might not have known whether Title XX resources were being used. Some county welfare systems do not readily distinguish between SAU charges and Title XX charges, and Title XX also sometimes provides general support for local programs. WIN might have referred clients to such programs without being aware of their Title XX funding.

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Table 30 also shows that nine SAU's referred clients to Title XX only if WIN could not provide a needed service. For example, Title XX funds could often be used for emergency assistance, particularly for applicants not yet receiving AFDC. Five other SAU's consciously used Title XX services as much as possible. In two of them SAU funds were used for providing child care, and Title XX was used for all other services. In the other three Title XX funds were used for child care as well.

Eleven sites received substantial resource supplements from Title XX, beyond referring clients for services or transfering cases. In the state where WIN was operated by the welfare department, Title XX funds were used to supplement regular WIN staffing levels in some units. In another state Title XX-funded staff arranged day care for WIN clients, much of which was charged to Title XX.

In two instances Title XX resources were used for institutional training. In one state a Title XX-funded counselor worked with WIN clients interested in attending college. This counselor and WIN staff coordinated activities with local colleges, and Title XX paid tuition and provided social services for clients admitted to approved programs. In another state an SAU manager had designed a demonstration program using Title XX funds for institutional training. Candidates for this program were identified at appraisal and referred to SAU staff responsible for the demonstration. SAU staff counseled clients, developed contracts with junior colleges and vocational schools, and monitored the progress of clients. In this case, too, Title XX funds covered both tuition and supportive services.

The benefits of available Title XX resources were sometimes more apparent than real. One state SAU had substantially more Title XX money available for day care than the entire SAU budget. Day care centers under Title XX contract, however, were not giving WIN clients the intended priority. In addition, these centers were often not open long enough to accommodate working parents. Many provided no transportation although located in areas inconvenient for WIN clients.

In two states, Title XX services and SAU services were used interchangeably in many counties. Rather than bother with separate forms needed to report SAU services, we were told some workers just charged the service to Title XX. This led to consistent underspending of SAU funds.*

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*In one of these states (a high performer), WIN and state welfare officials were developing a system to identify costs that could have been charged to WIN but had been charged to Title XX. The "recaptured" funds were being used to fund various WIN/welfare demonstration projects based on proposals submitted by counties.

3. Employment/Training

The ultimate objective of the WIN program is to assist clients in obtaining employment that will lead to self-sufficiency. This is achieved through direct placement, institutional training, public service employment (PSE) and on-the-job training (OJT). Current program emphasis is on placement in unsubsidized employment.

Job Development

Table 31 presents the four approaches to job development found in the study sites. Since most offices used a combination of job development techniques, the categories in the table represent the predominant approach for each site. There was a significant relationship between local performance and the type of job development effort.* High performing offices tended to emphasize counseling and had a client-oriented approach toward placement activity.

Table 31
Local WIN Emphasis in Developing Unsubsidized Jobs

	High Performing Offices	Average Performing Offices	Low Performing Offices	Total
1. Little job development.	-	-	7	7
2. Staff develop a pool of job orders for WIN.	2	11	5	18
3. Staff find or develop job for particular client.	3	5	-	8
4. Client does own job search, with guidance and assistance of staff.	5	1	2	8
(insufficient information)	-	1	1	2
				43

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*There was a correlation of .467, significant at the .01 level, between performance and the four categories of job development in Table 10.7. When the two client-oriented approaches were combined into one category, the correlation coefficient was even higher (r = .547).

The job development methods used by local staff were often related to the type of job search assistance provided. Eight sites where job development was client-oriented also had formal IMS components that emphasized and monitored clients' job search activity. In the other eight client-oriented sites, there was more emphasis on individual counseling and on developing jobs for specific individuals rather than having the clients doing their own search. Eight of the ten high performers were in these two categories, emphasizing individualized assistance.

In contrast 18 other offices--mostly average performers--placed major emphasis on developing a pool of job orders to be filled by WIN. These offices generally had "job developers" whose main responsibilities were to maintain contacts with employers, promote WIN OJT and obtain job orders. Several managers of these units had established quotas for number of employer contacts to be completed and emphasized improving employer relations. This approach toward employer relations and job development was similar to that usually found in local ES offices.

Finally, seven low performing programs placed very little emphasis on job development for WIN. Five of these units were located in ES offices where ES staff were responsible for job development and contract writing and controlled all job referrals. In all five cases the ES manager placed little priority on WIN, and ES employer representatives did not promote WIN or develop openings specifically for WIN clients.

WIN OJT and PSE

WIN can write contracts with employers who agree to provide a client with a full-time position and on-the-job training. Employers are compensated for non-productive time and training costs. A WIN OJT contract may be written for a period up to 18 months and includes a commitment by the employer to provide a permanent position after the subsidized period.

We found substantial variation in local use of WIN OJT but no relationship to overall performance. In 16 offices staff felt OJT led to permanent unsubsidized positions. They believed OJT contracts helped promote WIN with employers. Staff in these units said they could write as many OJT contracts as the central office would allow and that employers were very receptive. At the other extreme 17 local WIN programs either had no funds at all for OJT contracts or had little success in gaining receptivity from employers. In some places WIN contract writers and job developers complained that even if contracts were obtained, staff often could not fill the slots.

Similarly, there were mixed views on the usefulness of the tax credit that employers could receive for hiring WIN clients. Many staff said employers were very interested in the tax credit, that it was a positive tool in "selling WIN clients" and that it was always offered to employers. However, many other respondents said that employers were not at all interested or feared getting involved in red tape or government audits.

WIN can also subsidize full time public service employment (PSE) for registrants by writing contracts with public or private non-profit agencies. The employer must agree to WIN PSE regulations, which stipulate that registrants must not displace or substitute for regular employees and that the job must contribute to the client's career development. The employer also must offer a commitment to retain the individual in an unsubsidized position after the contract period.

In general we found very little emphasis on WIN PSE in the local sites. In only eight places did respondents feel that WIN PSE was successful. Two of these programs contracted out WIN PSE responsibility to CETA. Two were in non-urban areas with federal government installations (a penitentiary and a military base) that had substantial demand for PSE workers whether from CETA or WIN. The other four programs had WIN managers who aggressively promoted PSE and were apparently unaffected by competition from CETA PSE.

In 16 sites CETA had captured nearly all local PSE activity. In the few of these offices that did use WIN PSE, the planned goal usually was very low and contracts were closely monitored. Staff were reluctant to emphasize PSE since many state and county agencies could not guarantee transition to permanent employment. In five sites, however, there were one or two WIN PSE workers in the WIN office itself, usually functioning in clerical or para-professional positions. Most reportedly transitioned to permanent WIN positions after the contract period.

Institutional Training

The WIN program currently provides very little money for institutional training. State offices can allocate some funds to local programs to write training contracts, but national policy emphasizes that the training must be carefully selected to assure long-term employment prospects. Most training received by WIN registrants in the 43 study sites was through referral to community institutions and programs, usually at no cost to WIN.*

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*Interactions with these institutions are discussed in more detail in Chapter 12.

Twenty-four of the local programs had no WIN funds at all for institutional training. Managers and staff in ten of these had developed a network of linkages to other agencies and institutions to which WIN clients could be referred. This network usually included CETA, community colleges, local education and vocational rehabilitation agencies and technical institutes. The other 14 units placed very little emphasis on training and had not developed such linkages. Very few registrants in these offices were ever referred for training.

In eight other sites staff reported that training was not considered a top priority but that they did have some WIN money to purchase individual training slots or to fund a few classes specifically for WIN registrants. They also maintained contacts with outside agencies and referred clients to particular programs from which they could benefit, especially high school equivalency (GED), adult basic education (ABE), and basic educational opportunity grants (BEOG). In these units training expenditures were closely monitored, usually by both state and local managers.

In only seven sites were we told that institutional training was a very important priority. These offices had WIN funds available to purchase individual slots and whole classes. Staff in all seven also reported having access to CETA-funded training resources and referred many clients to community training organizations. Three offices had close contacts with local colleges and had developed classes for WIN clients in such fields as nursing, mechanics, radiology and secretarial. Several units were using Title XX funds to purchase slots from local educational institutions, as discussed earlier. We found no relationship between performance and the amount of emphasis placed on institutional training.

In conclusion, there was a distinctive pattern to the way high performing local WIN programs delivered services. High performers provided clients with job seeking skills whether or not there was a formal IMS component. They had a client-oriented approach to placement; jobs were developed for specific individuals. They were also more likely to emphasize the counseling aspects of adjudication. SAU's were not limited to approving child care arrangements but provided a broader range of supportive services. These findings suggest several recommendations, discussed in Part V, for improving local performance and for examining the relationship between SAU functions and overall program objectives.

CHAPTER 11

INTERACTIONS WITHIN AND BETWEEN LOCAL UNITS

In this chapter we analyze the nature and frequency of interactions within and among local work units. We begin by examining interactions within WIN sponsor units and SAU's. Then we turn to communication and coordination between sponsor units and SAU's. Finally, we deal with interactions involving these two types of units and two other host agency units presumed to be particularly important to WIN--employment service offices and income maintenance units (IMU).

1. Interactions Within Units

WIN Sponsor Units

Staff meetings. Formal office and unit meetings were held routinely in nearly all of the sites visited (39). Local WIN sponsor staff usually attended general staff meetings held by the office manager, whether WIN was located in an ES office, a WIN office or a welfare office. In addition to office-wide sessions, WIN unit supervisors also usually held weekly or monthly meetings. The frequency of formal staff meetings reportedly varied from daily to yearly but was not associated with performance. The character of these meetings, however, was related to performance. Managers in high performing WIN sponsor units tended to have flexible agendas and hold open discussions. Staff participation was encouraged. In contrast nine of the 15 low performers had very structured meetings dominated by the supervisor or manager with little or no staff participation or discussion.

Task interchange. Sponsor units varied considerably in the degree to which tasks of individual staff were separate, interdependent, or routinely exchanged. As indicated in Table 32, staff in high performing offices were more likely to assist each other or exchange functions.* They expected to cover for each other when there was an absence and in many cases were cross-trained. According to staff and managers, exchanging tasks gave staff a better understanding of the entire program. In some cases moving staff from job to job was also part of their preparation for promotion.

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*There was a correlation of .503, significant at the .01 level, between performance and task interchange. This relationship was found in large and small units, and in WIN units located in ES offices as well as those that were self-contained.

Table 32
Local WIN Sponsor Staff Task Interchange

	High Performing Offices	Average Performing Offices	Low Performing Offices	Total
1. Rigid task structure, very little interchange.	-	5	11	16
2. Flexible staffing, some covering for each other.	7	6	1	14
3. Cooperative interchange, cross-trained staff.	3	5	2	10
(insufficient information)	-	2	1	3
				43

In contrast, sponsor staff in 11 of the 15 low performing units rarely exchanged tasks and had less knowledge of functions handled by other staff. In three low performing offices, staff expressed resentment at having to cover for each other and complained about "having to do someone else's work".

Conflict and resolution. In any organization some degree of conflict is to be expected. We were concerned with the ways conflict manifested itself, how it was resolved and whether patterns of conflict or resolution were associated with performance. WIN sponsor staff generally reported smooth relationships within their units. Workers in 27 offices (including all ten high performers) reported an atmosphere of cooperation with minimal conflict. Staff in only nine said that the atmosphere was tense or contentious. In six other offices there was "friendly competition" between individuals or units, usually to maximize number of placements.

Three types of issues caused conflict in WIN sponsor units--personality clashes, disputes over procedures, and tension between management and staff. Staff in only three of the ten high performing units reported any conflict, and that was limited to an occasional personality clash. In contrast, staff in 16 of the 18 low performing offices said all three types of conflict were common.

Methods of resolving conflicts were also significantly different in high and low performing offices. In high performing units, persons involved in a conflict would generally try to work out the problem directly. If necessary, a supervisor would "listen to both sides" and seek a resolution. Staff in these units emphasized that problems were not allowed to continue without attempts at conciliation. In seven of the low performing offices, however, staff said that there might be some instances where no attempt would be made to resolve the difference.*

Separate Administrative Units

In the 13 SAU's that had five or more staff, there was very little variation in how workers interacted. In all but one of the 13 SAU's relationships among the staff were reported to be very good, with only minimal personal conflicts. In all units visited SAU workers worked independently, each having a separate caseload.

Three distinct types of staff meetings were held in SAU's. Supervisors conducted regular staff meetings in order to distribute information or discuss procedural issues. In many places the meetings also included staff working on Title XX, day care or food stamps, if they were all in the same unit. In addition many on-site SAU supervisors held case conferences with each individual worker. A few supervisors also conducted sessions specifically designed to motivate staff. These included role-playing, sensitivity training, or discussions on behavior modification.

2. WIN Sponsor-SAU Relationships

Sponsor-SAU relationships at the local level were generally reported to be good, regardless of performance level, collocation, or program size. In two-thirds of all the study sites, we were told relations were "quite good."

Several factors were cited as contributing to problems when they did occur. Sponsor and SAU staff in 17 sites believed there were professional differences of philosophy between them. Sponsor and SAU staff sometimes disagreed on the employability of clients, types of services needed, and when (or if) to begin adjudication. Usually SAU staff felt sponsor staff were insensitive and harsh toward clients, and sponsor staff thought the SAU was "too soft". In three places, however, the SAU was viewed as being stricter with the clients and sponsor staff as being more concerned with helping clients.

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*Performance and conflict resolution were correlated .292, significant at the .01 level, based on staff and supervisor responses to written questions on methods of conflict resolution. Managers in low performing units were more likely to ignore problems or avoid dealing with them.

In seven sites problems arose between the sponsor and SAU because SAU staff felt overburdened by work the sponsor was generating. Six of the seven SAU's reported a number of unfilled vacancies.

Finally, in a few sites uneasy relations centered around the SAU's desire to actually place clients in jobs. In one place the SAU had assumed some placement responsibility. In two other places SAU staff felt the sponsor was incompetent and that they should be allowed to refer to jobs and training.

WIN Sponsor-SAU Interaction

The level of WIN sponsor-SAU interaction at the local level was fairly high across the entire sample. In only four of the 43 study sites was there little or no contact between the two staffs. All four were low-performing programs. In these places requests for and tranmission of certifications and other paperwork were handled by mail. There were no joint procedures or joint meetings and only minimal telephone contact.

As Table 33 indicates, in 19 other programs the main contacts between SAU and sponsor staff occurred around procedures that were handled jointly, mainly appraisals and adjudication. In these sites the SAU had minimal involvement in IMS or orientation sessions, and meetings between the two staffs were rare.

Fifteen other programs (including eight of the ten high performers) had substantially more interaction. There were regular joint meetings at the supervisory level and usually at the staff level as well. In a few places, sponsor and SAU staff jointly counseled clients. Some also jointly conducted home visits and group orientations or had regular monthly case conferences.

The type of regular contacts between sponsor and SAU staff was positively related to performance.* In high performing local programs,

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*Interview data showed a correlation of .409, significant at the .01 level, between sponsor-SAU staff interaction and performance. This was confirmed by staff and supervisor responses to written questions on types and frequency of contacts, where a .489 correlation between contacts and performance was found, significant at the .01 level.

SAU and sponsor staff were more likely to have regular meetings, discuss program issues and confer often on individual cases. Staff typically had procedures for coordinating functions and daily work-related oral and written contact.

Table 33
Local WIN Sponsor-SAU Interactions

	High Performing Offices	Average Performing Offices	Low Performing Offices	Total
1. Minimal interaction (separate functions, no meetings).	-	1	3	4
2. Procedural interaction (mainly joint appraisals).	1	10	8	19
3. Extensive interaction.	8	6	1	15
(Insufficient information)	1	1	3	5
				43

3. Interactions with the ES and IMU's

This section deals with the interaction between WIN and local employment service and income maintenance units. The WIN Handbook and other federal guidance treat these relationships as second in importance only to links between the WIN sponsor and SAU. The ES and IMU are central elements of host agencies and potentially important contributors to WIN of information, expertise and clients. It is reasonable to expect that the nature of WIN linkages to these units might affect local WIN operations and performance. We treat ES links first, examining the nature and intensity of interactions, resource exchanges, WIN access to ES job orders, and the character of ES-WIN relations.

The Employment Service

Extent of interaction. Interactions with the ES were more limited than expected. As Table 34 indicates, there was only minimal contact between WIN and ES units in 28 of the 43 study sites. In most of these places (16) the only regular, work-related interaction was the use of ES Job Bank. In the others some contacts occurred due to WIN-ES collocation or relationships between individual staff, but these were limited or sporadic.

In 15 sites interaction was more extensive. Contact around specific functions occurred in eight of these. In some offices it was standard operating procedure for WIN to use the ES's bilingual interviewers or its testing materials. In other offices the services of a single counselor would be shared, or WIN and ES counselors would come to each other's assistance during temporary workload increases. Elsewhere WIN job developers and ES employer representatives would coordinate their employer visits or occasionally swap leads and job orders they could not use.

In only five places were WIN and ES activities highly coordinated. Here WIN and ES staff made joint visits to employers or were trained to provide employers with information on each other's programs. Job orders and leads were openly shared. WIN staff would cover for ES staff when they were absent, and visa versa. Formal cross-training sometimes occurred. All five of these sites were in states where the SESA leadership perceived WIN as "important" or at least treated it equitably. In all five WIN was integrated into the ES chain-of-command, and the local ES manager gave high priority to WIN. As Table 34 shows, three of the five WIN units were high performers. However, the other interaction categories indicate no clear pattern of association with performance.

Table 34
Local WIN-ES Interactions

	High Performers	Average Performers	Low Performers	Total
1. No contact except Job Bank.	2	7	7	16
2. Contacts, but kept to a minimum.	2	6	4	12
3. Contacts on specific functions.	3	3	4	10
4. High degree of coordination.	3	2	0	5
				43

Resource exchanges. As suggested above, reciprocal exchanges of resources do occur between some local WIN and ES units. The prevailing pattern, however, was either the absence of resource exchanges or the diversion of some WIN resources to other purposes. In 21 local sites no past or present resource diversions were reported. In 19 others various types of diversion (e.g. using WIN staff on ES or CETA work, dumping ES staff into WIN, and using WIN for patronage) either were occurring or had occurred in the past. In three sites WIN staff were occasionally used for ES activities but were covered by ES funds.

Four of the five sites where WIN staff were used to supplement CETA resources were in a state where WIN was administered through the ES chain-of-command, and the SESA had put top priority on CETA. Local ES managers responded by assigning as many local staff to CETA activities as needed. Staff assigned to WIN were more often working on CETA registration and referral than on WIN. In contrast all five of the offices where WIN-ES resource exchanges were reciprocal were also in SESA's that ran WIN through the ES hierarchy. However, these SESA's were neither hostile nor predatory toward WIN, and this was reflected in the higher priority the program received from many local ES managers.

Resource diversion appeared somewhat less frequent in high performing units, currently occurring in only two of ten. Conversely, current diversions were reported in ten out of 15 low performing units.

Access to ES job orders. A major rationale for assigning WIN sponsorship to SESA's was the expectation that access to the employment service's job orders and referral mechanisms would be crucial to WIN. However, as Table 35 shows, in nearly half of the local sites visited, staff claimed to use the ES Job Bank very little. They reported that openings listed in the Job Bank were often filled by the ES before even being placed in the Bank and that many job orders were old and outdated. WIN staff also frequently said it was difficult to place their clients in many of the jobs listed because they required skills, experience or transportation that welfare recipients rarely had.

Table 35
WIN Access to ES Job Orders

	High Performers	Average Performers	Low Performers	Total
1. Minimal use of Job Bank or ES orders.	3	8	8	20
2. Job Bank and perhaps occasional priority for referral to "real" job openings.	0	3	1	4
3. Job Bank, plus some job leads or copies of orders.	2	3	4	9
4. Job Bank, plus copies of all orders or open job order box.	3	2	1	6
5. Same as "3", plus ES approaches WIN with job leads and ES employer reps promote WIN with employers.	2	2	0	4
				43

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As Table 35 indicates, job orders or leads were freely shared in only about one-quarter of the study sites (10). Five of these were high performing offices. Some reluctance is understandable, given the importance of job orders to the ES, whose funding was more heavily dependent on placement performance than WIN's. However, this reluctance may have been compounded where (1) WIN had low priority within the SESA, (2) the ES feared that employers react adversely to welfare referrals, (3) job orders were tight, (4) interaction between ES and WIN staff was infrequent, and (5) ES staff were not knowledgeable about WIN.

Because of access problems and the difficulty of matching welfare recipients with the requirements in many ES job orders, WIN staff found those orders only marginally helpful. They tended to rely to a surprising degree on other sources of job openings for their clients.*

WIN-ES relations. As the above discussion implies, the relationship between local WIN units and the ES varied dramatically across our sample. In about half of the study sites (21), relationships were negative, tense and competitive. In another ten, there were neutral or "mixed" relationships or no contacts at all between the two staffs.

In the 12 remaining study sites relationships were, to varying degrees, cordial, supportive or cooperative. In three of these sites, while the relationships were cordial, the ES frequently used WIN staff for CETA activities charging CETA time to the WIN budget. Six others were in small towns where close interpersonal relationships had developed over the years between ES and WIN staff collocated in the same small office. Importantly, eight of these 12 units were in states where SESA leaders' attitudes toward WIN were supportive. By contrast only one of 16 sample units where state agency leadership was hostile to WIN reported supportive local links with the ES.

The data presented here raises an important question about WIN's organizational affiliations. In the past SESA's have been designated as WIN sponsors almost automatically. But, if WIN-ES contacts are usually minimal, if WIN reliance on ES Job Banks and job orders is limited, and if relationships are often hostile, might other sponsors not be considered in some cases? The answer seems to be "yes", provided that they have access to the capabilities WIN needs that are usually most extensively available in SESA's. These include intimacy with labor market information and expertise in job development, job search counseling and applicant-job matching. The one state in our sample that had transferred local WIN sponsor functions out of the SESA had also transferred many experienced ES staff as well.

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*It should not be assumed that WIN only draws on a Job Bank without making significant contributions to it or that WIN placements are always into lower quality jobs than ES. In one major city in our sample, about 60% of the listings in the Job Bank were developed by WIN staff. In another the average wage level of WIN placements was higher than ES placements, and ES staff often tried to refer to jobs developed by WIN.

Income Maintenance Units (IMU)

Many facets of WIN involve information and work flows between WIN and IMU staff. WIN staff must rely on IMU staff to screen and refer potential WIN registrants. WIN staff need information from the IMU on status changes of clients that range from new addresses to changes in family composition, eligibility and grant size. Two items used in WIN performance measures--obtained employment and welfare grant reductions--rely heavily on data from IMU's. Breakdowns in coordination can lead a local WIN unit to underreport activity on these items, adversely affecting its state's performance and federal funding.

The relationship with income maintenance units was troublesome for most local WIN programs in our sample. In only nine were relations cordial and supportive and coordination problems temporary or infrequent. In 24 sites paper or information flow problems were constant, and relationships were often distant or hostile.

The nine local programs that had smooth coordination fit into two main categories. Four were in a state where the welfare department administered WIN. IMU's were housed in the same buildings as WIN and reported to the same manager. Four WIN units in other states had an IMU staff person or unit collocated. While delays, misunderstandings and animosity still afflicted relations between these four WIN units and IMU staff elsewhere, coordination with the on-site eligibility workers was good. Only one local program in our sample was able to develop a highly effective coordinated relationship with the IMU without some form of collocation.

Although coordination problems existed in nearly all sites visited, sponsor staff in high performing WIN units tended to have more frequent contact with the IMU (telephone, written communications, meetings) than staff in low performing units. We found a correlation of .37, significant at the .01 level, between performance and frequency of contacts with IMU, based on staff responses to written questions.

Problems in the WIN-IMU linkage are not surprising. WIN is a low priority for an IMU worker. Its paperwork constitutes a very small portion of his or her job. Tasks in the IMU are extremely routinized, and the workload on IMU personnel is quite heavy, particularly in urban areas. In communities with large welfare populations, the IMU is often overloaded with routine address changes, grant actions, and updating case files.

At the same time the punitive aspects of case management and the financial responsibility associated with grant calculation can generate emotional pressures. Job classifications and pay are usually low, and turnover is high. Many respondents referred to it as "the worst job in welfare".

In most urban sites not only was IMU staff turnover especially high, but also training for new staff was often minimal. Even where staff training did exist, it sometimes did not occur often enough to keep pace with turnover nor cover WIN procedures and forms. For all of these reasons it was very difficult for WIN staff to successfully coordinate with IMU's.

In every local WIN office we visited, staff and management were aware of this IMU coordination problem. In some places we found that steps were being taken to improve interaction and communication. WIN-IMU collocation has already been mentioned and seemed to alleviate coordination problems, especially in large urban programs. In many metropolitan areas there are several income maintenance units, each responsible for cases in a specified geographic zone. WIN staff must deal with each one. Consolidating all WIN cases in a metropolitan area into the one IMU located in the same office as WIN appeared to improve work and information flows between the staffs.

Other techniques that were reportedly helpful included:

- Meetings of WIN sponsor, SAU and IMU supervisors. These were either regularly scheduled or occurred only when problems arose. Even an initial meeting to start a dialogue often proved salutary by sensitizing IMU personnel to WIN, about which they often knew little.

- Presentations by SAU or WIN sponsor staff to local IMU staff on WIN objectives and procedures, the services it offers, and the importance of the IMU to the program.

- Using WIN funds to train local IMU staff on WIN procedures and objectives, sometimes jointly with sponsor and SAU staff.

- Assignment of a staff person in the state welfare department to serve as a liaison between the SAU and IMU and resolve coordination and reporting problems.

- Development by state SAU and other welfare staff of an automated reporting system for local welfare departments. This was intended to reduce the amount of paperwork required of IMU staff, leading to faster, more accurate information exchanges between IMU's and WIN units.

CHAPTER 12

LOCAL EXTERNAL RELATIONS

Now we turn to relationships between local WIN units and programs or organizations which lie outside the host agencies. These include CETA, vocational rehabilitation, educational institutions, and other community-based organizations or agencies. Particular attention is paid to CETA for two reasons. First, in many communities CETA is by far the largest local employment and training program. As such, it is a potential source of resources for other, less resource-rich programs, such as WIN. Thus, the acquisition of CETA training and public service employment (PSE) resources might importantly influence the effectiveness of local WIN programs. Second, some welfare reform proposals would give CETA prime sponsors responsibility for the population now served by WIN. Knowledge of the CETA-WIN relationship should be useful in assessing the feasibility of those proposals or anticipating problems in implementing them.

This chapter provides answers to the following questions:

- To what extent did local WIN units develop relationships with other local agencies?
- What factors appeared to affect the presence, absence and intensity of these relationships?
- Did these interagency linkages have any effect on local WIN program performance?

We define interprogram relationship as the type and amount of interaction that occurs between programs. To what extent does a program augment its resources by obtaining services for its clients from other programs? What proportion of its clients are jointly served by other programs? How much and what kind of information flows between it and other programs? What is the nature and extent of its contacts with these programs?

1. CETA

Theoretically, WIN's relationship with CETA prime sponsors should be its most important linkage outside its host agencies. WIN has relatively few internal resources to use in upgrading the skills of its registrants. Therefore, the least employable individuals in its registrant pool either wait in the queue for limited WIN training and PSE, receive minimal attention as "unassigned" registrants, or are referred to programs like CETA for training or PSE placement. CETA PSE positions could conceivably provide WIN registrants with opportunities for transitioning into a permanent public sector job or for improving their job skills, employment records and, thus, their chances in the private job market. Similarly, CETA training programs might augment limited WIN training resources and, thereby, help WIN registrants to compete successfully for private sector employment.

Our knowledge of WIN and CETA programs led us to suspect that their relationship might be highly asymmetric. Local WIN and CETA programs were unlikely to be equally dependent on each other for resources or information. CETA had three types of resources WIN might want--training for WIN clients, PSE jobs for WIN clients, and CETA-funded positions to be used in WIN offices. Prime sponsors on the other hand had few resource needs from WIN. They rarely needed applicants from WIN, since they usually had far too many applicants for their available training and PSE openings. Although a prime sponsor might seek WIN's help in obtaining more welfare applicants to meet a federal guideline or to achieve their own goals for welfare recipients participating in their programs, it seemed reasonable to expect that prime sponsors generally would be far less dependent on WIN for resources than visa versa.

Furthermore, while CETA appeared likely to need little information from WIN, WIN staff were probably dependent on the prime sponsor or its subgrantees for several important types of information. These included information on (1) CETA job and training openings, (2) the disposition of WIN clients' applications to CETA, and (3) the status of WIN clients accepted into various CETA components.

However, there was also some reason to hypothesize that prime sponsors might encourage linkages with WIN. One of CETA's purposes is to develop a coordinative and comprehensive local service delivery system, bringing together local employment and training resources in an efficient, non-duplicative manner. This presumes that CETA prime sponsors would develop dialogues, linkages and joint activities with other local programs. To the extent that prime sponsors attempted to do this, one would expect more frequent contacts between local CETA and WIN programs. The initiative was clearly with prime sponsors since they controlled the bulk of local resources, set the policy on who would participate in local program planning, and decided the extent to which the local delivery system would be coordinative and collaborative.

The following sections focus on four areas:

- WIN access to CETA resources.
- WIN-CETA contact and information flows.
- WIN participation in local CETA systems.
- Factors affecting the CETA-WIN relationship.

WIN access to CETA resources

WIN and CETA staff were asked for information about WIN's access to three kinds of CETA resources: CETA-funded positions for WIN units, CETA-funded training for WIN clients, and PSE jobs for WIN registrants under both Titles II and VI of the Comprehensive Employment and Training Act.*

CETA-funded positions in WIN units. Less than one-third (13) of the 43 local WIN programs visited reported having some CETA-funded staff. Generally, this involved one or two individuals. In most cases they performed clerical tasks in the WIN sponsor unit or served as "case aides" in the SAU. But in several sites they had responsibility for referral and eligibility determination, and in a few others they served as "regular WIN staff". Analysis revealed no patterns associating the presence of CETA-funded positions in local WIN units with unit performance, size, state identity, or urban-rural location.

Access to CETA-funded training. WIN access to CETA-funded training appeared generally quite limited. In about half (21) of our 43 local sites 5 percent or less of the WIN caseload was reported to have obtained entry to CETA Title I institutional training components. In another 16 sites approximately 6-20 percent of WIN registrants were reportedly in CETA-funded training slots.

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*Because our field work occurred prior to the reauthorization of CETA in late 1978, references to PSE will be related to pre-1979 Titles II and VI programs. The reauthorization led to some major revisions in CETA. Three of the most important changes were (1) re-emphasis of training with increased funds, (2) decreased funds for PSE, and (3) tightened eligibility rules for all programs so that the most economically disadvantaged receive service priority.

In only three sites did records or responses suggest that more than 20 percent of the registrants had access.* Each was unique. One involved a large metro WIN unit that had close personal and organizational links with the CETA-funded skill center. The center had been founded during WIN-I, largely with WIN funds. Word was passed that WIN was welcome to refer its clients directly to the skill center, by-passing the prime sponsor's regular referral procedures.

The other two sites, one urban and one rural, were in the same small state. In the urban site the mayor took the posture that CETA was out of bounds to politics and delegated all operating decisions to the staff. That staff actively pursued the interests of disadvantaged target groups in their dealings with service deliverers and their allocation of PSE slots, a rarity in our sample. Records showed that 27 percent of CETA participants in institutional training were AFDC recipients. At the rural site the SAU played the key role. Much of the institutional training in this state was provided through a single central facility managed by the staff of the governor's manpower office. During start-up of the facility, CETA staff had operated out of the SAU's office. The rapport thus established between the SAU and CETA continued to permit a substantial number of WIN clients to get into the training center. However, this was the only site in our sample with a substantial CETA-SAU linkage.

Interview responses provided reasons why WIN participation in CETA training was generally limited. Table 36 lists some of them in the form of the explanations offered by WIN and CETA local staff. The degree to which these attitudes were held varied among sites and even among respondents in the same local units. However, the cumulative affect of the views expressed by both WIN and CETA personnel help explain the general situation that we found.* Analysis revealed no association between access to CETA training and local WIN unit performance.

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*While WIN reporting system data and staff perceptions were the primary source for information on access to CETA training, we also obtained data from CETA prime sponsor staff where feasible. These were used to corroborate WIN information sources. Our judgment was that if 5 percent or less of CETA's training slots were filled by AFDC recipients, this was roughly comparable to the "5 percent or less of WIN caseloads" data used above. This was assumed for the other percentage ranges as well.

Table 36

Reasons Given for Lack of WIN Participation in CETA Training

By WIN Personnel

1. Training is not a WIN priority.
2. The training provided is poor quality.
3. The training is poorly targeted. There are no jobs here in those fields.
4. The wait is too long, adversely affecting our clients' attitudes and habits.
5. Access is unlikely due to creaming by the prime or the service deliverer.
6. They have few female-oriented courses, and our experience here with non-traditional jobs for women has been bad.
7. We prefer OJT or work experience; classroom training is often unrealistic and irrelevant.
8. We have enough training funds of our own.
9. Contact is lost with clients when they are "suspended" to CETA.
10. You get no placement credit for referring a client to CETA training.
11. I won't deal with CETA, period.

By CETA Personnel

1. AFDC recipients are not given exceptional priority under Title I.
2. WIN clients can't meet the training entrance requirements, for example, for nurses.
3. They are more difficult and have lower success rates.
4. WIN refers their clients too slowly; the slots are all filled.
5. WIN does not send us their best clients.
6. We have few training slots, and demand for them is high.
7. WIN has its own resources.
8. Welfare recipients lack will or capacity.
9. We won't deal with WIN (or the ES), period.

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*Some state-to-state variance was observable. For example, in the state with a welfare-run WIN program, the argument that "training was not a WIN priority", was taken particularly seriously. Local WIN staff tended to ignore whatever CETA training possibilities were available.

Access to CETA PSE. Our findings on WIN access to CETA PSE were not surprising given the target population for PSE suggested by the language of the Comprehensive Employment and Training Act of 1973. The Act only stipulated that "consideration" should be given to those most disadvantaged. Creation of the Title VI PSE program in 1974 strengthened the word "consideration" to "preferred consideration" in regard to the participation of disadvantaged workers. The CETA amendments of 1976 however required that most Title VI project participants be long-term, low-income unemployed or welfare recipients. Thus, there should have been increased participation of WIN registrants in this PSE component.

The data collected in our sample of 43 local sites in 1977-78 showed that WIN participation was more extensive in Title VI than Title II but that Title VI participation also remained negligible in a large proportion of localities. Records and interviews indicated that in 59 percent of our sites there was little or no WIN (or AFDC) participation in Title II. There was also little or no access to Title VI PSE in 35 percent of our sites. Table 37 summarizes our findings.* Analysis revealed no significant association between access to CETA PSE positions and local WIN program performance.

Table 37
WIN Access to CETA PSE

	A lot*	Some*	Little or none*	Inadequate or conflicting data
Title II	4	12	23	4
Title VI	13	15	15	0

*"A lot" was defined as more than 20% of either (a) the total number of PSE job holders who had been AFDC recipients or (b) the active WIN caseload in CETA PSE, as reported in program records or research interviews. "Some" meant between 6-20% of either (a) or (b). "Little or none" was 5% or less of either (a) or (b).

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*In the remaining portions of this section we will limit our consideration of PSE to Title VI positions only, for two reasons. First, Title VI had significantly larger resources and numbers of PSE slots than Title II. Second, given the explicit target population status of welfare recipients in Title VI, it was a better gauge of CETA prime sponsor prioritizing of services to them.

Information Flows Between CETA and WIN

Information flows between CETA and WIN varied greatly. Data were collected from local WIN and CETA personnel on the frequency of meetings, telephone conversations and other informal contacts between the two staffs. WIN personnel were also asked about the timeliness, accuracy and completeness of information from CETA on job or training opportunities, the status of WIN registrants in suspense to CETA, and CETA procedures or structure.

In 15 of our 43 sites contacts of various kinds were frequent, and WIN staff reported no problems getting the information they wanted on CETA opportunities or client status. Local CETA and WIN personnel in ten of these were, in effect, collocated. ES staff under contract to CETA worked in the same office as WIN personnel. These were usually small offices in small towns. Thus, the ES staff responsible for WIN and CETA often viewed each other as co-workers, friends and neighbors. In the other five sites CETA and WIN were physically and organizationally separate, but staff reported either meetings or informal face-to-face contacts at least several times a month, and telephone conversations occurred nearly daily. Several of them reported that consultation between WIN and CETA staff about individual clients was common practice. There was no reported difficulty tracking WIN clients in CETA components in any of these sites, and notices of PSE openings were received early enough to give WIN registrants a genuine opportunity at those jobs.

In 31 percent of the sites for which we had reliable data, information flows were reported to be very inadequate, and contact was minimal. WIN and CETA personnel could remember no recent meetings, and informal discussions between individual staff members were also very rare. WIN personnel reported that contact was a one-way process, always initiated by WIN and never by CETA staff. Even so, WIN staff said they had extreme difficulty getting information on clients in suspense to CETA, and some staff admitted that they had given up trying. This was attributed both to problems in CETA's client tracking and data systems and to prime sponsor staff's reluctance to cooperate. WIN personnel reported that announcements about PSE jobs or training classes almost always arrived too late if at all.

In the remaining 12 sites the situation fell between these extremes. In several the intensity of contact was generally moderate, and the quality of all types of CETA information was reportedly mediocre. Thus, face-to-face contacts occurred perhaps once every month or two. Client status information was a problem sometimes, and information on CETA openings varied in timeliness. In the rest of these sites, some types of information flow were smooth, while others were problematic. Typically, WIN staff reported receiving good information on job and training opportunities but had problems getting feedback on client status.

Analysis revealed no systematic relationship between WIN unit performance and CETA-WIN information flows. Not surprisingly, there was a positive relationship between the reported intensity and quality of information flows and WIN access to CETA PSE.*

WIN Participation in CETA Systems

As previously mentioned, the CETA-WIN relationship might involve participation in (1) the development of local CETA plans, (2) decision-making on the mix of services to be provided by CETA, or (3) efforts to coordinate the activities of different local employment and training programs. Formal involvement in local CETA programs usually meant either the provision of CETA services under subcontract to the prime sponsor or membership on Manpower Planning Councils (MPC).

We found no incidence of WIN units formally providing services under subcontract to the prime sponsor.** WIN participation in CETA Manpower Planning Councils (MPC) was also relatively rare, being reported in only seven of 43 study sites. In two cases the SAU manager was on the MPC, and in a third the WIN sponsor supervisor was. The state WIN coordinator was on the advisory council to a major city-county consortium that covered three of our study sites, and in one site WIN staff served on a special selection committee that decided eligibility criteria for participation in CETA service components. The lack of WIN involvement on MPC's may be of little consequence to WIN. Past studies of CETA have shown that in most cases MPC's play little role in actual decision-making.*

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*WIN access to Title VI PSE correlated .64, significant at the .01 level, with intensity of information flow as described above.

**However, in one state where the SESA served, in effect, as the CETA prime sponsor for much of the state, WIN staff were actually spending far more time on CETA responsibilities than on WIN. This role for WIN in CETA was determined, of course, by the SESA rather than a local prime sponsor. It involved the only incidents in our sample where substantial WIN resources were currently flowing into CETA (see Chapter 3). The situation in that state seemed similar to what had happened in the only two localities to date where responsibility for actually running WIN had been delegated to local prime sponsors. According to federal reports and the recollections of participants, in both sites WIN staff were extensively diverted to non-WIN functions, the separate identity of the program became blurred, and services to WIN registrants declined. Both of these experiments were terminated prior to our study.

Factors Affecting CETA-WIN Relationships

Analysis of interview data indicated that five factors appeared to have an influence on overall CETA-WIN relationships (as reflected by WIN access to CETA resources and CETA-WIN information flows). These were (1) the CETA intake and referral process, (2) local CETA prime sponsor policy toward WIN, (3) the degree of fiscal substitution, politicization or malfeasance reported in the prime sponsor, (4) the policy of the WIN or SESA central office toward CETA, and (5) local WIN staff perceptions of the value of CETA services.

CETA intake and referral mechanisms. The flow charts in Figure 11 show in simplified form the paths by which WIN clients might enter a CETA PSE or training slot in our 43 study sites. In the few Type A sites in our sample (3 sites), WIN was able to refer its clients directly to the training facility or the agency that had been allocated a PSE slot without sending them through some CETA-wide intake and referral mechanism. Clients in Type B sites were sent to an ES unit or worker responsible for all intake and referral under contract from CETA. In Type C sites CETA intake and referral was performed by a mix of ES personnel, local CETA staff and sometimes others. CETA intake and referral were conducted by CETA's own staff in Type D sites, and Type E sites involved a three-stage process--a WIN referral to an ES unit or counselor, an ES referral to CETA, and then a CETA referral to a job or training.

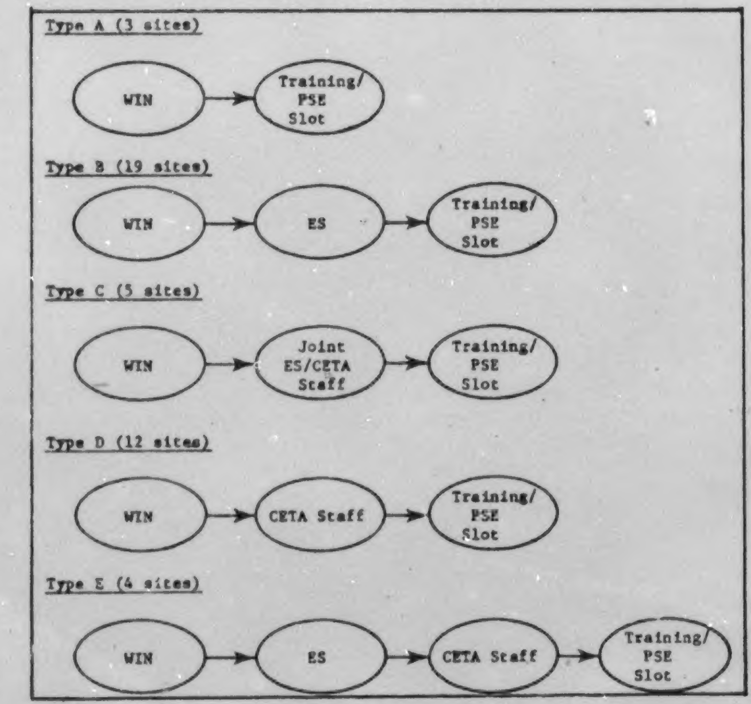

Figure 11

WIN Client Flows into CETA Jobs and Training

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*Mirengoff and Rindler (1978).

Analysis uncovered a strong association (r = .52, significant at the .01 level) between the type of CETA intake and referral mechanism and WIN access to Title VI PSE. Those intake mechanisms that were more direct or involved personnel closer organizationally to WIN (Types A and B) tended to be more productive for WIN than the others. The fact that about half the 19 Type B sites involved small WIN units that were located in the same ES office as the ES staff doing CETA intake and referral undoubtedly also helped, since long-standing, close relationships were often reported between these individuals.

Reported fiscal substitution, politicization or malfeasance. Some degree of fiscal substitution, politicization or malfeasance in local CETA operations was reported in 34 of the 40 sites for which data were available.* In 14 cases it was reported to be extensive. Most frequently mentioned (34 sites) was some form of substitution, the use of PSE funds or workers to replace non-federal funds or regular staff. Substitution not only violates federal maintenance-of-effort provisions, but it also has serious implications for WIN. It leads to the establishment of high skill and experience requirements for PSE jobs. That, in turn, results in creaming of the applicant pool to fill those jobs. Both work to the disadvantage of WIN clients. Other forms of reported politicization or corruption included use of PSE slots for political patronage (at least 19 sites), nepotism and favoritism (at least 17 sites), outright fraud or malfeasance (at least 3 sites), and politically influenced choices of service deliverers or sub-grantee organizations.

An inverse relationship (r = -.415, significant at the .01 level) was found between WIN access to Title VI PSE and reported improprieties in local CETA programs. WIN tended to get less help from CETA where CETA was reportedly more politicized or corrupt. This seems logical; if more PSE positions are allocated to "friends" or "allies," less will be available for others.

WIN or state ES central office policy. Local staff attitudes often seemed affected by the central office's position on WIN-CETA relations. None of the nine offices in states where WIN leadership viewed CETA as "a last resort" thought CETA services were highly desirable, although in several sites staff attempted to use CETA selectively for some clients. On the other hand, all local WIN staff in the state where CETA and WIN units were combined thought CETA services were very desirable. So did four of the six units in states where WIN leadership encouraged the CETA linkage.

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*We were aware that our data on CETA politicization and malfeasance may have been affected by response bias. Where access to CETA resources was less for other reasons, bad motives might have been imputed. Responses may also have been colored by personal or interorganizational rivalries between SESA and CETA personnel. Thus, information on CETA politicization/malfeasance collected from SESA personnel was compared in all cases possible with data from other respondents.

WIN staff satisfaction with CETA services. WIN staff in only nine of the 43 study units indicated they were *very* satisfied with the assistance obtained by their clients from CETA. Personnel in 15 other sites were *somewhat* satisfied. Finally, in nearly 40 percent of the sites (17), WIN personnel were very unsatisfied with CETA services. Staff perceptions of the value of CETA services correlated strongly (r = .66, significant at the .01 level) with WIN access to Title VI PSE.

The reasons given for WIN discontent with CETA *training* were presented in Table 12.1. The reasons expressed by some WIN staff for dissatisfaction with CETA *PSE* included the following:

- CETA jobs rarely led to permanent employment in their locality and thus were undesirable.
- PSE jobs were often undemanding and engendered poor work habits or unrealistic impressions about what could be expected on a regular job.
- Even if WIN clients were referred to CETA, CETA rarely got them into PSE jobs. CETA jobs usually went to the best available applicants, often college-educated, white males, few of whom are WIN registrants.
- Access to CETA PSE was heavily influenced by political affiliation, personal connection and informal pre-selection by the hiring agencies. Thus, AFDC recipients rarely got these jobs.
- The low probability of getting a WIN client into a CETA job became a reason for not referring them. Raising hopes and then frustrating them is harmful. Reinforcing clients' patterns of failure, defeat and low self-esteem should be avoided.

In conclusion, we were unable to identify any association between local WIN program performance and the nature or intensity of local CETA-WIN relationships. While CETA-WIN relationships were generally distant, there were, however, a few sites where better linkages had developed and had led to greater WIN access to CETA resources, better information exchanges and more WIN participation in CETA. If changes associated with the 1978 reauthorization of CETA cause prime sponsors to interact more extensively with local WIN programs, similar relationships might develop elsewhere over time--and a greater proportion of WIN registrants might receive training and PSE jobs. To the extent that such experiences actually enhance the employability of welfare recipients, their long-term economic and social prospects might be improved. Since reauthorization occurred after our data collection was completed, however, these remain hypotheses.

2. Vocational Rehabilitation

Local WIN units generally had less contact with vocational rehabilitation (VR) agencies than with CETA and made more limited use of VR services. In most sites VR was an infrequent source of assistance to WIN clients. Usually that assistance was minor or short-term (i.e., dentistry, provision of eyeglasses, testing for disability), but it occasionally involved more extended services such as occupational training, sheltered workshop employment, and physical or mental rehabilitation. These were generally services that WIN had neither the funds nor the authority to provide. Few WIN units indicated that they referred more than two or three people per month to VR. Depending on the state, the site or even the individual case, WIN might keep clients referred to WIN in active (joint) caseloads, put them in suspense status, or de-register them.

Contact and Referral

In all but a few sites, contact between VR and WIN personnel was limited to occasional telephone conversations and infrequent visits by an individual from one program to the office of the other. Referrals involved only telephone contact and the exchange of referral slips in many sites. Elsewhere, a VR counselor might visit the WIN or SAU office periodically to review referrals. There were few instances in our sample of VR-WIN collocation, of VR counselors that specialized in WIN/welfare cases, or of joint VR-WIN case management involving collaborative case review and planning.

Referral to VR and follow-up was usually the responsibility of the SAU. However, in a few sites WIN sponsor staff took lead responsibility for liaison to VR because they were physically closer or had friends in VR. In four sites (all in the same state), WIN personnel had almost no direct contact with VR. Personnel there said that, according to state policy, an individual could not be a client of VR and a WIN registrant at the same time. These units sent all individuals in need of VR services back to the IMU for referral to VR and de-registration from WIN. WIN personnel felt they had no further responsibility for such individuals and never undertook efforts to monitor their progress through VR.

Joint Initiatives

Only three joint program initiatives involving VR and WIN were identified in our sample, and only one seemed to be clearly benefiting WIN. The first case was in the state with a welfare-run WIN program, where special teams had been established in WIN units to deal with disabled AFDC recipients. Since few WIN registrants were disabled, the teams seemed of little value to WIN. The second case involved a special grant of state funds to experiment with service delivery consolidation. VR, WIN and the SAU had operated as a single unit reporting to a single manager. However, when funding of the experiment was cut, interprogram contacts returned to their pre-experiment levels. In the third case (involving a large metro WIN unit) VR, SAU and WIN sponsor staff were housed in adjoining offices. There were joint VR-WIN-SAU caseloads and joint monthly case reviews. Within VR there were separate welfare-oriented counselors. Arrangements had been developed by which WIN routinely paid allowances and expenses, while VR covered actual training costs. Staff in both programs had been trained in the other's purposes, procedures and documentation. WIN appraisal unit personnel were given special instruction on referring to VR. Substantial numbers of WIN registrants reportedly benefited from VR services.

Key Factors

Across our 43 sites, only seven local WIN programs had close and productive links to VR. What factors were at work to cause this general situation?

As in the case of CETA-WIN relations, the characteristics of the VR and WIN programs helped determine both the specific relationship seen in any one site and the general pattern of relationships observable across the sample as a whole. Table 38 lists the factors that interview data suggested influenced the intensity and productivity of VR-WIN links. If VR was chronically short of funds or if all its money was committed relatively early in the fiscal year, WIN access was adversely affected. If VR personnel preferred not to work with "unmotivated" welfare recipients, that also had a negative effect, as did lengthy delays in VR intake-assessment procedures.

Table 38
Factors Influencing VR-WIN Links

VR Factors	WIN Factors
1. Availability of funds.	1. Policy on joint VR-WIN cases.
2. Attitude toward welfare clients.	2. Perception of VR's competence.
3. Speed of appraisal/acceptance.	3. Attitude toward placement/developmental assistance.
4. Eligibility policy.	4. Availability of WIN training funds.

Finally, VR formal eligibility criteria--and the application of those criteria--vary greatly. In several study states, VR eligibility was reported to be very broad, including individuals with "emotional" problems and even victims of "cultural deprivation." This opened the door to many WIN registrants. In several other states, a "severity" criterion was applied, reflecting an intent to focus resources on the more seriously disabled. Interview data suggested that the application of formal criteria was often tempered by the judgment of individual VR counselors. Sometimes that discretion was reportedly exercised so that those most motivated and likely to succeed were accepted. In such sites fewer WIN clients were likely to be admitted.

On WIN's side, four factors appeared influential. First, if it was policy that joint VR-WIN cases could not exist (as in the state described earlier) little contact occurred between the two programs. Second, there were some sites where WIN harbored doubts about VR's competence and used it only for minor assistance (glass, dental work), if at all. Third, local WIN programs varied in their attitude toward training or other forms of developmental assistance. Some functioned as "straight placement" operations, while others tried to provide what developmental assistance they could. Presumably, the former put less emphasis on obtaining VR training for clients than the latter. Lastly, while WIN institutional training funds were limited throughout the WIN program, most sites had some. They might find it less important to seek VR-funded training than those that had none.

We found no systematic association between the type or intensity of WIN-VR relationships and local WIN program performance.

3. Educational Institutions

The current national WIN program model and the advent of CETA have resulted in a decline in interaction between WIN and local educational institutions. The current program model (1) emphasizes direct employment rather than training, (2) provides little money for institutional education and training, and (3) restricts clients to at most a year's enrollment in an education or training program. Each of these elements implies less interaction with educational institutions. In addition, under the Comprehensive Employment and Training Act, prime sponsors have become the central conduits of DOL training funds and programming in local communities. In many instances they have replaced WIN (as well as other programs) as a major source of sustenance to local educational and training facilities. Individuals flowing from programs such as WIN into these facilities often must pass first through the filter of the prime sponsor's intake and referral process. It is therefore not surprising that no relationship existed between WIN-educational institution linkages and local WIN program performance.

Nevertheless, in many sites, personal and organizational linkages between WIN and local educational institutions persisted from WIN-I days. Furthermore, some WIN funds were used to purchase a few training slots in most sites. In varying degrees local WIN units also were taking advantage of opportunities presented by Basic Education Opportunity Grants (BEOG), low cost or tuition-free public colleges and universities, and CETA-funded education and training programs.

4. Other Organizations or Programs

Local WIN programs generally also reported contacts of various kinds with other organizations or programs. These included both local governmental agencies and community-based organizations. On average staff in each local WIN program recalled recent contacts with about three such entities. Most frequently mentioned were community action agencies (CAA's, 13 sites), the Urban League (10 sites), Opportunities Industrialization Corporation (OIC, 8 sites), SER (6 sites), mental health agencies (6 sites) and church groups (5 sites).

These relationships were generally quite limited. In the case of CAA's, WIN staff in a few places reported referring an occasional registrant to CAA-run programs for youth, emergency assistance, weatherization or adult basic education. The Urban League and OIC contacts generally involved several WIN registrants who attended vocational training run by these organizations. WIN staff in some sites in Southwestern and Mountain states said that they sent some registrants to classes run by SER in basic education, high school equivalency or English-as-a-second-language; and church groups were mentioned occasionally as a source of short-term emergency assistance (food, clothing or shelter). Beyond that, in a few sites these organizations provided work sites for WIN PSE or OJT, and in one or two places WIN staff served on their boards or advisory committees.

Many other organizations or programs were mentioned by staff in at least one or two sites. They are listed in Table 39, and the purpose of the contact is noted.

Table 39
Local WIN Contacts with Other Organizations

Organization	Context or Purpose
United Fund	Member
Community Services Organization	Member
Chamber of Commerce/National Alliance of Business	Job leads, presentations on WIN tax credits
Hospitals	Nurse aide training
Penitentiary	Site for OJT and PSE
Agricultural Extension Service	Presentations as part of IMS or orientation
Legal Aid	" " " "
Public Health/Family Planning/EPSDT	" " " "
Beauty salon	" " " "
Homemaker advisor	" " " "
Better Jobs for Women	" " " "
Job Corps	Refer WIN youth
Youth employment programs	" " "
Special state employment programs for the disadvantaged or for general aid or welfare recipients	Occasional referrals and staff interactions

The amount of interaction with community-based organizations and other local programs was unrelated to local WIN unit performance. Statistical analysis revealed no association between performance and the number of such entities with which WIN personnel indicated they had contacts. While 13 units mentioned more such relationships than the rest, they were not differentiated from the overall sample either by performance, by state, or by type of locale.

It might be hypothesized that more diverse and intense links to other organizations and programs would have a favorable impact on WIN unit performance. These links, this reasoning would suggest, might allow WIN to obtain additional resources which would contribute noticeably to WIN performance.

Our data, however, indicate no such association. Two possible explanations come to mind. First, the costs of creating and maintaining close interorganizational relations may sometimes outweigh the tangible benefits. Second, in some cases the tangible benefits might be substantial, but they do not translate into higher unit performance as measured by the current WIN performance measures. Thus a free training slot in another program yields no direct or immediate benefit to WIN unit performance in terms of entered employment or welfare grant reduction.

Close links to other programs may also benefit WIN or WIN personnel in unmeasured but important ways (i.e., better program credibility, a feeling of ability to provide more assistance to clients, heightened personal satisfaction and morale). Thus, although such linkages have no measured impact on performance, they may not be without value to the program, its clients and its staff.

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CHAPTER 13

CONCLUSION

The chapters of Part IV have presented descriptions of the way local WIN delivery systems are organized and function. They have shown how state level factors, the "major determinants" in Part III, strongly affect certain aspects of local programs, and they have analyzed the interactions among local work unit characteristics. Finally, they have identified a number of characteristics that tend to be associated with high performance in local WIN work units. This chapter summarizes and synthesizes the principal findings. Particular emphasis is placed on those characteristics observed most frequently in high performing programs.

1. Characteristics Associated with High Performance

The following characteristics were shown by analysis to occur more often in high performing local units than in low performing ones.

- If WIN was integrated into the employment service, ES management was supportive of the program. This was less important if WIN was self-contained.
- WIN managers gave priority and committed sufficient staff resources to the maintenance of accurate and timely data reporting.
- WIN sponsor unit managers emphasized systematic distribution of information and more frequent internal discussion.
- WIN managers permitted more flexibility regarding work rules and office procedures.
- WIN managers delegated more program authority to subordinates in combination with more monitoring.
- Managers dealt more directly and openly with conflict within the unit.
- Staff tended to assist each other or routinely exchange functions.
- Non-cooperative clients were the subject of more extensive counseling.

- Providing job search skills was emphasized for most clients, whether or not a formal IMS component was used.

- The SAU provided extensive supportive services beyond child care.

- Job development efforts were focused on the individual client rather than just on generating a large pool of job orders.

- More frequent and extensive interactions occurred between SAU and sponsor staff, whether or not they were collocated. Many procedures were carried out more collaboratively, and joint case conferences or meetings occurred more often.

- Less diversion of WIN resources by the ES was reported. Regardless of performance, WIN-ES relations were frequently limited or hostile, and WIN often relied little on ES job orders.

- Although links to the IMU were a universal problem, WIN staff had more frequent contact with IMU staff.

2. Relationships Among Major Determinants, Work Unit Characteristics and Performance

Figure 12 depicts the possible interrelationships among work unit characteristics, major determinants and program performance suggested by our findings. Thus, state level goals are portrayed as influencing the nature of tasks and both as acting upon work unit organization. As Chapter 8 explained, local staff perceptions of goals closely mirrored those of state leadership. Both were reflected, in turn, in the emphasis given different tasks at the local level. Thus, for example, in the state where state program leaders emphasized the goal of eliminating males from welfare roles, local units devoted little time to their female caseload or to providing day care for WIN mothers.

Similarly, structural elements of local programs are portrayed as being affected by major determinants discussed in Part III, particularly both organizational leadership and overall state structure. Thus, for example, organizational leaders in one state might choose to house WIN in ES offices, while in another they might decide to locate WIN separately. At the same time local unit structures partly result from state structural

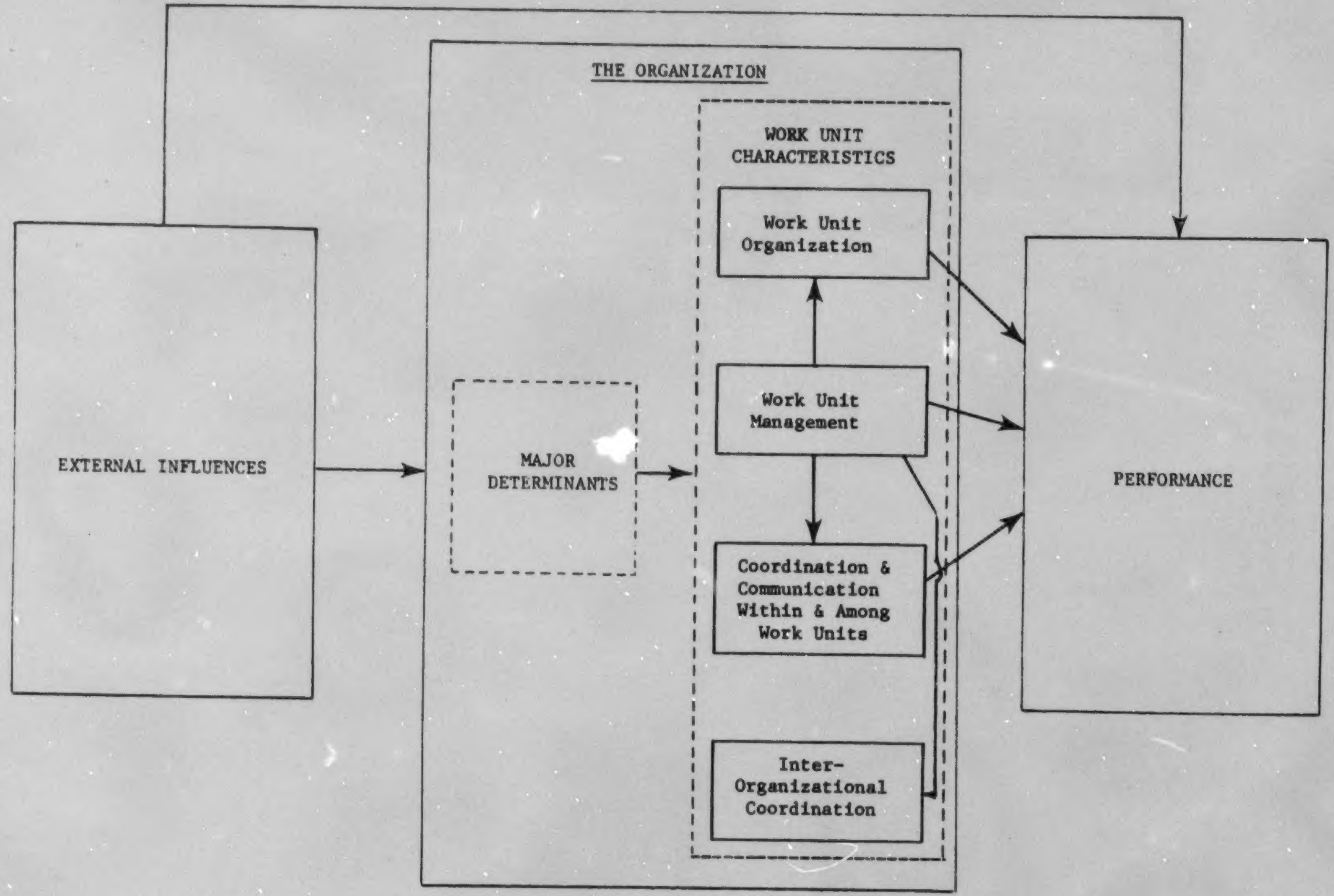
THE ORGANIZATION
WORK UNIT CHARACTERISTICS
Work Unit Organization
Work Unit Management
Coordination & Communication Within & Among Work Units
Inter-Organizational Coordination
EXTERNAL INFLUENCES
MAJOR DETERMINANTS
PERFORMANCE

Figure 12

Relationships Between Local WIN Work Unit Characteristics and Performance characteristics, some of which organizational leaders did not control. For example, the physical and organizational location of local SAU's depended on political decisions, often made decades earlier, about what level of government--state or county--should be primarily responsible for administering welfare.

Work unit organization is depicted as influencing performance. The way a number of service delivery components (i.e., job development, provision of job search skills, adjudication) were organized and conducted were shown to be statistically associated with unit performance. While those correlations are not proof of causation, they provided a basis for suggesting the relationship illustrated.

Work unit management is portrayed as acting upon work unit organization, coordination within and between units, and interorganizational coordination as well as performance. It is through unit management that state-level policies on the organization of program functions and linkages to other units or organizations are transmitted to service deliverers. The fact that local unit characteristics were not uniform across all sample sites in each state suggests that work unit management itself may in some cases also play an independent role in shaping work unit organization and interactions within and outside the unit.

Because of its importance, work unit management is shown as having an influence on performance. In fact, much of a manager's effect on performance is probably exerted indirectly--through his or her impact on the organization of service delivery functions and on interactions within and among units.

Coordination and communication within and between units are portrayed as influenced by work unit management (as described above). Coordination and communication are depicted as acting on performance directly since a number of such variables that are closely associated with the actual delivery of services and the generation of unit performance data were associated statistically with performance. These included intraunit variables (i.e., information transfers, task exchanges and conflict resolution) as well as interunit variables (i.e., SAU-WIN sponsor interactions and WIN-IMU contacts).

Lastly, interoganizational coordination is shown as affected by work unit management. In the case of CETA-WIN links at least, work unit management probably acted in some cases as an intermediary variable transmitting state level attitudes about the desirability of the relationship. Interorganizational coordination is not depicted as affecting performance since our analysis of WIN links to CETA, VR or other organizations did not demonstrate any associations with performance.

The permeating influence of state level variables is one of this chapter's most significant points. Whether the issue was unit priorities, management behavior or attitudes toward CETA, local characteristics were extensively shaped by those at state level. From the federal viewpoint, this finding is important. It suggests that federal personnel need not reach down to the local level in over a thousand localities in order to have an impact on program operations and performance. Rather, by influencing attitudes and practices of only 50 sets of program and organization leaders at the state level, federal officials can be confident of also affecting behavior in a high proportion of local service delivery systems.

PART V

IMPROVING WIN PROGRAMS

PART V

IMPROVING WIN PROGRAMS

SUMMARY

The information in preceding Parts is now used to address the underlying issue of this study--how to improve WIN program performance. Performance improvement strategies require, first, the capacity to accurately differentiate high from low performing programs. Recommendations aimed at developing that capacity include:

- *Improving the retention rate and welfare grant reduction performance measures.*
- *Adjusting performance for environmental difficulty so that relative effectiveness measures take into account labor market and client demographic conditions beyond the control of program personnel.*
- *Creating SAU effectiveness indicators.*
- *Improving automated reporting systems at the state level.*

Once low performing state programs are identified, both federal and state personnel must have the ability to diagnose the underlying problems. Development of diagnostic monitoring systems is proposed that would focus regional federal representative's monitoring on the performance of state and local WIN programs and on information about administrative, managerial, service delivery and coordinative functions related to that performance. Transmission of those methods from regional to state program personnel and joint development of performance improvement efforts are recommended.

Specific changes in low performing programs are recommended based on the pattern of characteristics found in high performers. Managerial recommendations include:

- *Improve goal awareness and application.*
- *Enhance evaluative, analytic and monitoring capacities at the state central office and area levels.*
- *Expand training activities, especially around management functions, reporting systems, financial systems, and welfare/employment program or service delivery innovations.*

- *Intensify SAU-sponsor coordination and collaboration.*

Recommendations for changes in service delivery methods or emphases include:

- *Emphasize counseling and working more intensively with reluctant clients rather than ignoring or quickly sanctioning them.*
- *Place more emphasis on imparting job-seeking skills and on job-search activities by clients themselves.*
- *Emphasize client-oriented job development.*
- *Experiment with expanded institutional training for some clients.*
- *Develop richer mixes of supportive services.*
- *Improve the critical linkage to IMU's.*

Although some incentives for change already exist, incentive structures need to be strengthened. Our proposals include a more straightforward and objective performance incentive funding system, dissemination of information on the comparative performance of state programs throughout the WIN system, and, in extreme cases, the selection of alternative WIN sponsors.

While many of these suggestions might be implemented separately, they are also the building blocks of an integrated, sequential approach to improving the WIN program. The basic elements of a structured performance improvement program are:

- *Joint development of improvement strategies by national, regional and state officials.*
- *Development and application of a performance incentive funding system for use at both the federal and state levels.*
- *Development and use of monitoring guides to target improvement assistance, incentives and sanctions.*
- *Periodic data collection and analysis of a sample of local WIN units representative of all WIN units to permit continuous monitoring of changes in environment, organization and performance throughout the WIN system and to guide actions taken in performance improvement projects.*

- *Structured organizational change and performance improvement projects in selected state and local programs.*

- *Comparison of data from these "experimental" sites with data from units in the representative sample, leading to firmer conclusions on what organizational characteristics influence WIN performance and what change strategies are most effective.*

- *Dissemination and general application of the knowledge derived about how to make welfare-employment programs more productive.*

CHAPTER 14

IMPROVING WIN PROGRAMS

1. Introduction

The preceding chapters have described what has been learned about the measurement of WIN performance, the environmental factors that influence WIN productivity, and the managerial, organizational and service delivery characteristics associated with high performing programs. In this chapter we use that information to address the underlying issue of this study--how to improve WIN program performance. A general strategy is presented that aims at applying what has been learned to improve the WIN system and to develop a process for continuous learning and improvement in the future. Where the level of confidence and precision of our findings permits, recommendations are made for immediate system-wide action.

The chapter begins by noting that performance improvement strategies require, first, the capacity to accurately differentiate high from low performing programs. Ways of creating that capacity are proposed.

Once low performing state programs are identified, a federal ability to diagnose their problems is necessary. Similarly, states must have the means to assess the causes of low performance in local programs. Recommendations are made aimed at developing these abilities at both the federal and state levels.

Next, knowledge about what specific changes to make are needed. Thus specific actions are recommended based on the pattern of characteristics found in high performing programs. Incentives for change are already present in state and local programs, since many state and local staff in low performing operations want to improve their programs. What is required is some guidance on what to change and how as well as some reward for increasing productivity. Thus incentive structures should be strengthened. Our proposals include a more straightforward and objective performance incentive funding system, dissemination of information on the comparative performance of state programs throughout the WIN system, and, in extreme cases, the selection of alternative WIN sponsors.

Finally, we present a cohesive and systematic strategy incorporating many of these recommendations into a performance improvement program. This program would involve knowledge development through experimentation in selected state and local operations. Experimentation is required in order to test the appropriateness and feasibility of different organizational change strategies as well as their impact on WIN performance.

As we have already noted, many of our recommendations for improving program performance are based on tentative or qualitative evidence. This is necessarily the case given the exploratory nature of this study. Also, some key variables may change over time with unknown consequences for performance. Therefore, a system for monitoring the effect of changes in environment, organization and performance in a representative sample of local WIN programs is presented as part of the performance improvement program. Comparing what occurred in experimental operations with what happened within this sample would permit more definitive conclusions about the effects of changes in organizational characteristics and service delivery methods on program performance. The knowledge derived about how to make welfare-employment programs more productive could then be disseminated and applied generally in the expectation that it might raise performance levels throughout the WIN system.

2. Identifying High and Low Performance

As noted above, a precondition for improving performance is the capacity to identify high and low performance. Assuming no fundamental changes in program goals or structure, three actions must be taken to attain this capacity. First, WIN performance measures should be further refined and institutionalized. Second, SAU effectiveness indicators should be developed. Third, automated reporting systems must be improved.

WIN Performance Measures

Refinement and institutionalization of WIN performance measures involves seven sequential steps. Because these steps are similar to procedures used in selecting sample states and local units for this study, the National Office could initiate action on this recommendation almost immediately (see Chapter 2 and Appendices A and B). The seven required steps are

- Agree on the conceptual appropriateness of the measures. At the outset of this study, federal program leaders agreed that job entries, job entry wage rate, retention rate and welfare grant reductions reflected the program's quantitative and qualitative objectives. A similar consensus would be needed again.

- Agree on relative priority among these measures. Once again, program leaders would have to review the relative weights assigned to each separate performance measure so that appropriate overall state or local unit effectiveness indices could be computed. Policy shifts could be reflected in changes in those weights.

- Improve retention rate measure. A more realistic indicator of job retention would measure the proportion of all (or a random sample of) full-time job entrants that were still employed 30, 90 or 180 days later. Current studies being conducted within OWIN indicate that a longer follow-up period would better estimate the actual duration on employment of those WIN registrants finding jobs. This would provide more accurate information on the quality of all full-time job entries, the effect of different service mixes on long-term employability and the appropriateness of job-registrant matches (see Chapter 2 and Appendix B).

- Improve average monthly welfare grant reduction data. The accuracy of reported average monthly welfare grant reductions was reduced by variations in how state and local IMU offices chose to define welfare savings and by IMU linkage problems. Types of grant reductions to be included and excluded in calculations for WIN reporting purposes should be standardized across and within states. State and local staff should receive guidance on the importance of this reporting to their program's performance and funding as well as information on various ways of conveying that significance to IMU personnel. Improving the IMU linkage in general is discussed in Section 4.

- Standardized performance measures. Three of the four current measures must be standardized to permit state-to-state comparisons in order to account for differences in program staffing levels, welfare grant size or prevailing wage rates (see Chapter 2).

- Adjust performance for environmental difficulty. Develop the necessary labor market, demographic and program data bases and conduct the required multivariate analysis to take into consideration the effect of socio-economic environment on program performance and to estimate the levels of effectiveness that could realistically be expected of state programs. These effectiveness levels would reflect more equitably the relative performance of state programs, since they would take into account significant differences in labor market and client demographic conditions--conditions beyond the control of program personnel. States that scored higher than expected given their environment would be high performers. Those that scored lower than expected would be low performers.

- Institutionalize this process. Establish procedures for the periodic generation of the necessary performance and environmental data and develop a capability within OWIN to conduct the required analytic procedures without outside assistance.

The results of this process could be applied not only to the identification of low performers for evaluation and performance improvement purposes but also could be an integral part of resource allocation, planning and activity level assignment procedures. The development of this planning-evaluation-allocation system is discussed in Section 6.

SAU Effectiveness Indicators

The lack of SAU performance measures and of information about the relationship between SAU activities and overall WIN performance has been mentioned repeatedly. Research currently being conducted for OWIN on local SAU organization and functions may provide a better basis for addressing both shortcomings. Both SAU performance measures and their relationship to overall WIN performance require, however, consideration of the appropriate role of the SAU in the WIN program. While our findings (especially on the coordinative role of SAU's and the nature of SAU-WIN links in high performing state and local programs) provide some guidance, more thought and analysis is clearly necessary.

An essential preliminary step would be for policy makers and WIN officials to further discuss and clarify the future role of the SAU. There are several possible roles the SAU might take, but two are most obvious.

First, the SAU could exist essentially to provide social services for WIN clients. This is its current mission. Alternatively, WIN tasks and responsibilities could be restructured so SAU played a more integrated role in the employment and training mission of WIN.

Whatever role is finally defined, four steps would be required before effectiveness measures could be in place:

- Using the currently defined balanced mission of WIN, develop logical models and hypotheses of what types of SAU functions should a priori impact on the overall effectiveness of WIN. These models would be developed based on what past research and program officials theorize should effect WIN performance.*

- In a carefully designed study, collect information and precise data on SAU variables hypothesized to influence WIN performance.

- Analyze the SAU variables identified and their impact on placement and employability enhancement. Identify the impact of these factors on the main WIN performance measures in the balanced program mission.

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*Such hypotheses could include the following:

- Richer mixes of supportive services should be positively related to job retention and overall program performance.

- Personal counseling should increase the ability of a welfare recipient to obtain and retain a job.

- The quality and availability of child care will be positively associated with job entry and retention, especially among female WIN registrants.

- If so, SAU's that emphasize developing child care resources should be more productive.

- Smooth transition of supportive service cases from the SAU to Title XX should be positively related to job retention.

- Incorporate within a comprehensive reporting system SAU indicators that reliably measure those SAU activities that have been shown through analysis to contribute to overall WIN performance, and use these data in the proposed planning, allocation and assessment system.

Improve Automated Reporting Systems

Earlier chapters documented problems with automated reporting systems. While several high performing programs had very accurate systems which they themselves depended on for management purposes, other states' systems were error-ridden and a constant problem for staff and administrators. If increasing reliance is to be placed on these systems to identify, reward and stimulate performance, such situations should be alleviated wherever possible.

Part of this responsibility is federal. Clearly, computer programs should be debugged before distribution to the states, and documentation should define data items specifically. Regional office capabilities to provide technical assistance on reporting systems and computerization should be enhanced where possible by recruitment and training. This might involve the identification of a knowledgeable and competent system analyst in a state WIN program within the region and the assignment of this individual on an IPA basis to the regional office. In this way, the analyst could train regional staff on state systems as well as assist other state programs in the region. In addition, regional WIN units should impress on the states the direct linkage between their reporting, their performance and their funding. Informing the states more clearly about why reporting is important to them should lead more state programs to give greater attention to their information systems.

The states themselves can learn from the example of the high performers within our sample. All of them had comparatively few reporting problems or had significantly improved the accuracy and timeliness of their systems. Their experience suggests that states seeking to improve their reporting (and their own management information in the process) should consider the following:

- Hiring their own systems analyst/programmers to provide full-time reporting system services for WIN (including participation in all central office staff meetings and provision of training, instructional material and trouble-shooting assistance to local service delivery personnel).

- Funding specific SESA reporting systems staff to perform the same functions.

- Developing computer interfaces or regular data tape exchanges between WIN sponsor and SAU/IMU reporting systems to identify and resolve data inconsistencies or other problems.

- Training and retraining of staff on a periodic basis on form completion, data input, error correction procedures, and the relationship between reporting data and program funding.

- Developing procedures and guidelines for state monitoring and assessment of local WIN operations using MIS data and suggesting ways that local managers and supervisors could use MIS data to monitor their own operations.

3. Developing Diagnostic Capabilities

Once low performing state operations are identified, regional office staff should be able to determine the causes of their low performance. Diagnosis necessarily precedes any development of performance improvement strategies by state and federal officials.

Currently, federal representatives have few tools to use in diagnosing the reasons for low performance. Monitoring visits to state WIN programs usually follow a fairly unstructured pattern and involve relatively little contact with WIN staff members in the state central office, other state officials or local service delivery personnel. On the rare occasion when local units are visited, generally only the WIN sponsor and SAU supervisors are contacted. Visits are usually "event-based," for example, to review or negotiate state WIN plans, or to resolve specific fiscal or procedural problems. Such visits fail to provide federal representatives with a comprehensive picture of the state operation and the knowledge with which to diagnose or at least hypothesize the causes of low performance.

Focusing the resources of federal representatives on specific data collection activities during monitoring visits would likely improve their knowledge of state operations and those factors contributing to local performance. This could be accomplished through the development of a structured monitoring instrument which would provide comparable information within and across regions. Such an instrument might resemble the research interview guides developed for this study, refined and adapted for regional use. It would provide federal representatives with information on relationships between state and local staff, relationships with host agencies, the structural characteristics of both sponsor and SAU systems, the way managerial functions were being conducted at the state and local levels, the different procedures being used in the provision of WIN and SAU services, and perceived barriers to performance improvement.

The instrument would designate what questions to ask of certain types of respondents and which data to collect from information systems. It would permit cross-verification of information obtained from different sources and provide a structure that could be used to identify factors that might be contributing to low performance. This information could then be used in developing reports on state operations and in discussions with state officials about possible ways of improving their operations.

The use of the proposed monitoring instrument should not be restricted to low performing programs only. Much can be learned from high performers that might be transferable to low performers in the same region. However, scarce regional resources might be focused first on the programs with the lowest performance records in the region. Over time, other state WIN programs could receive similar attention. The eventual purpose should be to develop annually a description of each state program in the region, problems being encountered, improvements being implemented and the prognosis for the future.

The development and use of this monitoring instrument could have a number of benefits for the federal part of the WIN system. Some of these are as follows:

- Improved knowledge of state WIN programs by federal representatives leading to increased appreciation for operational realities and improved regional credibility with state and local personnel.
- Development of an information base in each regional office on all state operations in the region, permitting federal representatives to learn from each other's programs and facilitating more extensive communications among states on ways to improve their operations.
- Identification of program areas (e.g., reporting systems, management skills, service delivery techniques, etc.) that most need improvement in the region so that scarce resources can be targeted on them.
- Identification of state programs with staff expertise that could be used to improve operations in other states in the region.

- Improved basis for assessing and improving the performance and analytic skills of federal representatives (through quality control reviews of monitoring instruments and reports by regional WIN coordinators).

- Improved knowledge of state and local program operations by national administrators and staff (acquired through the review of monitoring reports submitted by regional offices) and thus more enlightened consideration of the impact on state and local programs of possible policy changes.

Under the proposed monitoring system, the national office would maintain the nationwide data necessary for tracking changes in state performance. National officials would also be responsible for developing and validating the monitoring instruments or guides. However, regional offices would play the major role in diagnosing problems in states as well as developing strategies for improvement. Regional federal representatives would be expected to identify when a state was "in trouble" and diagnose what the problems were. They would acquire this capability through training, assistance, manuals and information from the national office.

Federal representatives could transfer the diagnostic methods they learned to state WIN sponsor and SAU coordinators. The coordinators should thus become more able to diagnose problems within their own states. A separate performance data system which would track a nationally representative sample of local WIN programs could provide state managers with standards by which they could monitor the performance of their own local units (see Section 6). This would help them identify local programs having performance problems. With the information and assistance provided by the regional office representative, they would then be able to diagnose the causes of those local problems. Thus, federal managers would be responsible for identifying and diagnosing low performing states, while state managers would be responsible for identifying and diagnosing low performing local units.

Once problems were identified at the state level, federal and state managers would decide jointly on what changes should be made. Of course, state programs could choose either to participate in such a venture or to refuse federal assistance. Thus, some system of incentives must be operating to encourage state and local managers to implement changes and make an effort to improve their program performance. Such incentives are addressed in Section 5.

4. Changing Program Characteristics

A major finding of this study is that high and low performing programs systematically differ in certain organizational, managerial and service delivery characteristics. The following recommendations are based on this finding and represent actions that could be taken at various program levels to change the characteristics of low performing operations to more closely resemble those of high performers. The underlying hypothesis is that these characteristics play a role in determining performance levels and that changing these characteristics should result in higher performance. Verifying whether such changes actually cause higher performance would require experimentation, which is discussed in Section 6.

Another major finding was the dominant influence of state WIN policy on certain aspects of local operations. For example, state definitions of WIN goals quickly became those of most local units. MIS data were used more extensively to manage local units in states that placed priority on maintaining accurate and timely reporting systems. If central offices periodically monitored local operations and provided feedback based on these evaluations, local managers were more likely to replicate such actions in their own units. Significantly, the way many of these functions (e.g., goal definition, planning, monitoring, evaluation, data reporting, and training) were executed was closely associated with program performance.

Our finding on the extent of state influence over local units provides guidance to federal efforts aimed at improving local service delivery and performance. It suggests that federal initiatives can have their broadest effect if focused on the state SAU and WIN sponsor coordinators and their central staff. The aim should be to alter their priorities, capacities and behavior in the expectation that this will have a "ripple effect" at the service delivery level.

Other findings concerned local program characteristics that were not necessarily influenced by state program policy. Local managers and staff were generally given discretion in many program areas, including service delivery emphases, management methods and interagency linkages. These characteristics were related to local performance but varied among units within any single state. Such local discretion will probably continue in the future. Therefore, findings and recommendations on these characteristics should be disseminated to local personnel for possible applications. Where recommendations are applied, local managers should document and distribute information about their experiences, since local units elsewhere could benefit from knowledge about these attempts to improve performance and their outcomes.

In the absence of more definitive knowledge, our qualitative findings on the characteristics of high performing programs provide a basis for actions which can be taken by state and local personnel to improve their program's performance. These include modifying the way management functions are performed and altering service delivery emphases and procedures. Obviously, the degree to which such changes are made and the speed with which they occur may be contingent on the attitudes and capabilities of program staff and the mores of the host agency as a whole, but the direction can at least be indicated.

Managerial Functions

Improvements in the management functions of state WIN programs can be focused in six areas:

- Improve goal awareness and application. In high performing programs the balanced character of program goals was understood at the state level, and the relative priorities among these goals were transmitted to local managers and supervisors. Personnel at each level understood what program goals were and how federal funding mechanisms rewarded their attainment. (At present, the critical message is that wage rates, duration of jobs and welfare saving are at least as important as numbers of placements.) Techniques to use can include training sessions, statewide conferences, written materials and monitoring/feedback systems.

- Enhance monitoring, evaluation and analytic capacities. Developing monitoring instruments and improving reporting systems have already been mentioned. Complementary actions by state coordinators could include: (1) adding an individual with analytic and evaluative skills to central staff if there are none now; (2) maintaining relative performance rankings of local units on a monthly basis and communicating these rankings to all local units; (3) monitoring operational data on a frequent basis; (4) maintaining and reviewing fiscal tracking reports by area or unit; (5) monitoring low performing units more intensely, analyzing information to identify the causes of problems in these offices, and developing jointly with the local unit ways of improving their operation; (6) developing local unit "self-appraisal" systems; (7) establishing a cadre of "field technicians" who periodically visit each local unit; (8) field monitoring of each unit by central office personnel on at least an annual basis; and (9) joint SAU-WIN sponsor site reviews conducted by personnel from both central offices.

- Conduct annual planning and budgeting jointly with greater involvement of field staff. Develop integrated state WIN plans and budgets that incorporate complementary sponsor/SAU activity estimates, goals, allocation patterns and service delivery or administrative innovations. This process should involve not only detailed consultation between WIN sponsor and SAU coordinators and their central staff but also early and genuine participation by managers and staff at the area and local levels (see Chapters 6 and 9).

- Expand training activities. The amount and variety of training was far greater in high performing states. Exactly which types of training are most significant is less obvious, but our knowledge of high performance characteristics and our survey of reported state training needs suggest an initial training agenda. Areas where instruction might be emphasized include: (1) program goals and activities rewarded by performance incentive funding mechanisms; (2) the conduct of management functions; (3) reporting systems; (4) financial management; (5) the changing character of the overall welfare-employment system, including WIN sponsor-SAU linkages and relations to IMU, Title XX and CETA; and (6) service delivery modifications such as those mentioned in the next section. Training should be conducted jointly for sponsor and SAU personnel, and personnel from potentially important outside programs (IMU, Title XX, CETA, vocational rehabilitation, education and training agencies) should be involved. Training should take the form not only of formal instruction but also less formal meetings, all-staff conferences and problem-solving sessions.

- Intensify SAU-sponsor coordination and collaboration. While physical collocation of the state WIN coordinators may often be infeasible or even undesirable, closer interactions between them (and their staff) seems a distinctive characteristic of high performing programs. Both partners should, therefore, seek to develop (1) more integrated, collaborative annual plan and budget processes; (2) joint training, staff meetings, field visits, handbooks and field directives; (3) informal ways to resolve differences; (4) the habit of daily or weekly informal consultation; and (5) collaborative strategies for dealing with constraints imposed by host agency attitudes, structures or procedures.

- Alter decision-making and communication patterns. Over a period of several years, patterns of decision-making and communication should be altered so that they approach those observed in high performing programs. Abrupt change may be hard or even counterproductive, but gradually more open lateral and upward communication flows should be developed and more participative, delegative decision-making encouraged (see Chapter 6). Like other management characteristics, this behavior by state and area managers will be emulated by many local unit managers. That should lead to more complete information exchange, more staff participation, greater staff discretion and delegation of authority, and better accountability systems within local units. Since these are the characteristics associated with high performance in local units, that process should be reinforced by instruction, example and support.

Delivering Services

Chapter 10 described the service delivery characteristics that seemed associated with high local program performance. These findings, although tentative, can provide guidance to administrators and managers who want to explore ways of improving local unit performance. Suggestions include:

- Emphasize counseling and working more intensively with reluctant clients as part of the adjudication process rather than ignoring or quickly sanctioning them.

- Experiment with more intensive and extended follow-up procedures such as 60-day, 90-day and 180-day follow-ups and spot checks on a small percentage of job entrants one or two years after placement.

- Place more emphasis on imparting job-seeking skills and on job search activities by clients themselves. Priority on either formal job search assistance services such as group workshops or "job clubs" or individualized approaches involving a client and a counselor was associated with high performance.

- Emphasize client-oriented job development by (1) identifying individual jobs for individual clients rather than only developing a pool of job orders, or by (2) emphasizing client job search with staff guidance and assistance.

- Experiment with expanded institutional training for clients. Many service deliverers believed the development of individualized training programs for selected clients can be effective if careful assessment of the client's capabilities, labor market conditions and available training programs indicate significant gains in economic and social well-being would likely result. Such efforts could involve the "packaging" of various resources (WIN and TRE funds; BEOG, Title XX and CETA resources; and tuition-free offerings) to maximize benefits and minimize program costs. Waiver of the one-year limit on institutional training in selected cases might also be required since training for higher skill, better paying jobs often takes longer.

- Develop richer mixes of supportive services. Programs that provided supportive services beyond child care tended to be higher performers. Such expansion of services could include (1) home visits to all registrants; (2) counseling on personal development, family relations, household management and family planning; and (3) provision of emergency money and temporary transportation.

- Increase Sponsor-SAU interactions. Some of the earlier recommendations on SAU-WIN sponsor director collaboration have obvious implications for service delivery level interactions. Beyond that, (1) local sponsor-SAU supervisors and staff should meet periodically to discuss program issues; (2) monthly joint case reviews should be instituted; (3) client orientation and counseling should be conducted collaboratively although not necessarily jointly; and (4) procedures appropriate to the site should be developed to deal with sponsor-SAU work and information flow requirements.

- Apply various strategies for improving the critical linkage to IMU's. This relationship is both important to effective WIN operation and a universal problem. Techniques that may prove helpful in improving this linkage include: (1) periodic or event-related meetings of IMU, SAU and sponsor supervisors; (2) periodic presentations to IMU staff on WIN objectives, procedures and services and on the importance of certain IMU actions to the program; (3) using WIN funds to provide formal training to IMU personnel on WIN; (4) joint IMU-SAU-sponsor training; (5) collocating IMU staff with WIN staff in large metropolitan areas and making their caseloads exclusively WIN registants; (6) designating a liaison person in the state welfare agency to deal with WIN-IMU problems; and (7) developing automated welfare reporting systems that reduce the amount of paperwork associated with WIN-IMU transactions or creating the capability to access the welfare data base to verify and identify welfare grant reductions and "obtained employments."

Where WIN is Integrated in the ES

A WIN program that is integrated within an ES hierarchy may face different challenges when it seeks to improve its performance than would a self-contained program. Part of the reason why such a program is low-performing might be host agency characteristics rather than those of the program per se. This would be particularly true where host agency attitudes toward WIN were negative, priority for WIN was low, and both goal displacement and resource diversion were extensive. The two high-performing programs described in Chapter 6, Section 6, provide the basis for suggesting a three- phase strategy for dealing with such situations. The first phase would involve:

- Efforts to shift to a more self-contained structure. Timely and skillful maneuvering may permit the WIN sponsor coordinator to gradually obtain more direct control over and communication to local units. The evidence derived from monitoring systems described earlier and the effects of low performance on federal funding could be used to build a case for such a change. Federal regional officials, where sympathetic, could be utilized to facilitate this process in some cases.

- Opportunistic, selective acquisition of staff. In SESA's where changes in state political leadership or agency management cause significant staff displacements, these situations can sometimes be exploited to the benefit of WIN. So can contractions in other programs. Several high performing states have built effective administrative and service delivery cadre by selectively recruiting among the "outcasts" caused by such changes.

These steps (along with managerial and service delivery modifications such as described previously) may effectively "turn around" a low performing program. If efforts to move toward self-containment are infeasible, the strategy of "changing a SESA's priorities" might be tried next. This might involve:

- Vigorous federal regional intervention on behalf of the program at the SESA executive director level.

- Resulting modification in host agency leaders' own attitudes toward and priorities for the program.

- Transmission of those changed attitudes and priorities to subordinates throughout the ES hierarchy, resulting in changes in their attitudes or behavior.

- Increased status and staff capabilities for the WIN central office unit.

- Authority for that unit to deal directly with key administrators and support units (personnel, procurement and computer services) in the SESA.

- Development of a competent, experienced cadre of field technicians or area administrators to provide

> (1) a visible WIN presence in the field; (2) a direct, informal communication link between the WIN central and service delivery units; (3) continuous technical assistance; (4) a monitoring system; and (5) a lateral communication network.

Even if this strategy works, operating a high performing WIN program in an ES-integrated setting may involve continuous vigilance, since even a "satisfactory" situation may be rapidly reversed as conditions change within the state or the host agency.

Thirdly, if both these strategies fail, the set of performance incentives and sanctions described in the next section can be brought to bear with full vigor.

5. Incentives for Change

Our field work showed that many managers and staff in low-performing programs had an inherent desire to do their jobs well, to help welfare recipients become independent, self-supporting individuals and to make their program successful. Often what they needed was a clearer definition of "success" and some direction and assistance in achieving it. In short, in some cases all the incentive that may be required is some guidance on what to do and how to do it.

In addition to these self-incentives, a set of relatively powerful incentives are available to federal officials interested in stimulating improved performance in state and local WIN programs. They include incentive funding formulas, publicity, the authority to switch WIN sponsorships, and the targeting of special initiative funds on state programs receptive to performance improvement projects. These incentives already operate within the program to varying extents. The following subsections indicate how they could be strengthened and focused to foster an on-going interest in performance improvements.

Incentive Funding Formula

Section 2 proposed a procedure for identifying high and low performing programs. That same procedure could be used to modify the current WIN Allocation Formula, making it a clearer and stronger incentive to performance. This would involve (1) simplifying the formula so that its "messages" about program priorities are more readily understandable in the field and (2) identifying explicitly that portion of "discretionary" funding that is based on relative state program performance.

The mandatory portion of the formula and the bulk of the discretionary portion could, as in the past, be allocated strictly on the basis of size (number of registrants in each state). The remainder would be apportioned to states based on whether they performed better or worse than expected, given the difficulty of their environment. Performance in a number of key areas (e.g., retention rate, job entry wage rate, job entries per staff and welfare savings) could receive policy weights and be combined into an "overall effectiveness index" for each state program. The overall effectiveness index for a state would determine its share of the "effectiveness" discretionary funds. Since this part of the discretionary allocation formula would not be affected by the size of a state WIN program, it would act as a fiscal incentive for states to maximize their performance in areas consistent with national WIN policy.

Each state's overall effectiveness index, its performance in each component of this index, and gains or losses of "effectiveness" discretionary funds would be public knowledge. This would tend to promote competition among regional and state WIN programs. No longer would state WIN programs be uninformed about how their performance compared to other states.

The proportion of discretionary funding to allocate on the basis of effectiveness and the policy weight to be assigned to each performance measure are policy issues to be decided by national WIN officials. These decisions would be based in part on computer simulations of the proposed formula using different proportions of discretionary funds for the performance incentive portion. Such simulations would identify the distributive effects of different approaches. This could minimize sudden, extreme shifts in funding among states (and associated operational and political complications) during the first year of use. The proportion of funds committed to the performance incentive portion of the formula could be increased in later years, reinforcing the incentive for state programs to improve their performance.

Publicity

In many cases such a performance-based funding mechanism may be incentive enough to cause improvement efforts. Further stimulus can, however, be provided by publicity. Thus, gains and losses under the effectiveness portion of the formula should be disclosed as well as the relative ranking of the states and trends in those rankings. The objective, nonjudgmental character of the procedures for identifying performance would be explained, and the "automatic" character of the funding gains and losses would be emphasized.

This information would be disseminated not only to WIN sponsor and SAU personnel in each state but to host agency officials, elected officials and the media. The objective would be to increase their awareness and respect for their WIN program if it was a higher performer and to focus some concern if it was a low one.

In the case of low or declining performers, it may be desirable to emphasize the federal money the state is losing because of the program's relative ineffectiveness. The link between WIN and political interest in the "welfare problem" can also be made. Lastly, the underlying reasons for losses can be specified with data from the monitoring and diagnostic tools described earlier.

Switching Program Sponsorship

If neither the fact that a low performer was losing funding nor the publicity of that fact resulted in efforts to improve performance, federal officials could consider switching WIN sponsorship to another agency. Our findings on ES-WIN linkages and WIN performance suggest that ES sponsorship of WIN is not absolutely essential (see Chapter 11).

A change of sponsorship would require (1) clear and convincing documentation of the reasons for the change and (2) an alternative host that was likely to be more effective. Recommendations made earlier would provide the necessary documentation. The performance identification procedure described in Section 2 would provide quantitative evidence of the program's persistent low performance relative to programs in other states. It could also generate the data to refute claims that a more difficult economic environment or clientele were to blame. The regional office monitoring and diagnostic capabilities described in Section 3 would provide evidence of administrative and operational shortcomings and of persistent inability or unwillingness to correct them. All of this material could be made available to interested politicians, the media and the public.

Finding an alternative sponsor involves a judgment about which particular alternative would be likely to provide an organizational environment conducive to high WIN performance in that state or community. That seems more important than the general category of agency (i.e. SESA, welfare department, CETA prime sponsor, community-based organization). Part of the judgment would involve assessing the likely commitment of alternative sponsors' to the program, based on their past record of serving similar clients. Staff and managerial competence in relevant service delivery, technical and administrative areas would have to be analyzed, as would the coincidence of WIN goals with the goals of the possible sponsor. That evaluation might, in fact, be based on the same regional office monitoring instruments used to assess current hosts.

Like adverse publicity, withdrawal of program sponsorship may be an organizational embarrassment. The threat of it may cause desired modifications in attitudes and behavior and perhaps even changes in key personnel. However, regional and OWIN officials must be prepared for the political reactions that may result instead. Case-by-case judgments will thus have to be made as to whether the potential gains in a particular state are worth the possible risks to the program as a whole.

Targeting of Special Initiative Funds

Additional funding for innovative, experimental or demonstration projects could also be used to reward high performers and encourage improvement in low performers. Some special initiative projects might be better suited for implementation and testing in relatively high performing operations. Others might fit within a general strategy for improving a state's overall level of effectiveness or the performance of local operations. Before such funds were given to a low-performing state program, an explicit commitment to specific performance improvement efforts should be obtained from the WIN sponsor and SAU coordinators and the top administrators in their host agencies. The additional dollars could be used to obtain staff for the WIN central office who had skills currently needed but not available, to obtain technical assistance on automated reporting systems, or to cover the costs of specialized training for central office staff, local managers and service providers. A possible approach for implementing performance improvement projects in low performing WIN operations is presented in the next section.

6. A Structured Approach to Improvement

The interrelated nature of our recommendations has been pointed out in the prior sections. While many of those suggestions might be implemented separately, they are also the building blocks of an integrated approach to improving the WIN program. That approach could involve:

- Strengthening the evaluative and monitoring capabilities of federal and state program staff.
- Revision of existing allocation, planning and performance assessment systems.
- Provision of federal assistance to state programs attempting to improve their operations.
- Development of a data base on a representative sample of local WIN operations for within-state allocation, planning and evaluative purposes; for more precise analysis of the interrelationships among environmental factors, organizational variables and unit performance; and as a source of comparison group data for future experimentation.

- Experimentation in selected low performing state programs to determine the effectiveness and feasibility of changing organizational, managerial and service delivery characteristics in order to improve program performance.

This proposed approach would test further the findings, suggestions and hypotheses presented in this report in a systematic fashion. It would also result in a general upgrading of the skills and expertise of federal and state program staff. The performance improvement strategy proposed here would be internalized within the WIN system. Federal and state staff would participate in the development of its methods, procedures and analytic techniques. They would collect the necessary data, maintain data bases on their computer systems and conduct the required analysis. It is intended that, at the conclusion of the first wave of experimental projects, WIN staff would be able to continue the performance improvement program with little or no outside assistance.

The basic elements of a structured performance improvement program are shown in Figure 13. "Design Development" would entail (1) creating an advisory committee of national, regional and state officials to provide direction and recommendations; (2) designating OWIN staff responsible for and involved in the improvement program; (3) reviewing this study and others to identify priority issues, hypotheses to test and variables to measure; and (4) refinement of a design for the subsequent elements of the project.

"Develop and apply allocation formula" means identifying high and low performing states as described in Section 2 and modifying the WIN Allocation Formula as recomended in Section 5. The goal of this effort would be to create a single system for resource allocation to state programs, development of planned activity goals for key performance indicators, and evaluation of state program performance. This system would take into account the different socio-economic environments of state programs in determining their relative performance levels.

This system must meet two criteria in order to be accepted by federal and state WIN officials. First, it must have face validity with program administrators. It must be relatively simple, involve procedures that are understandable to personnel without extensive statistical training, and present data straightforwardly on performance measures and the relative effectiveness of state WIN programs. Second, it must be conceptually and statistically sound. Past performance-based systems that had conceptual or statistical shortcomings eventually succumbed to bureaucratic and political attacks. Tying dollars to performance levels will

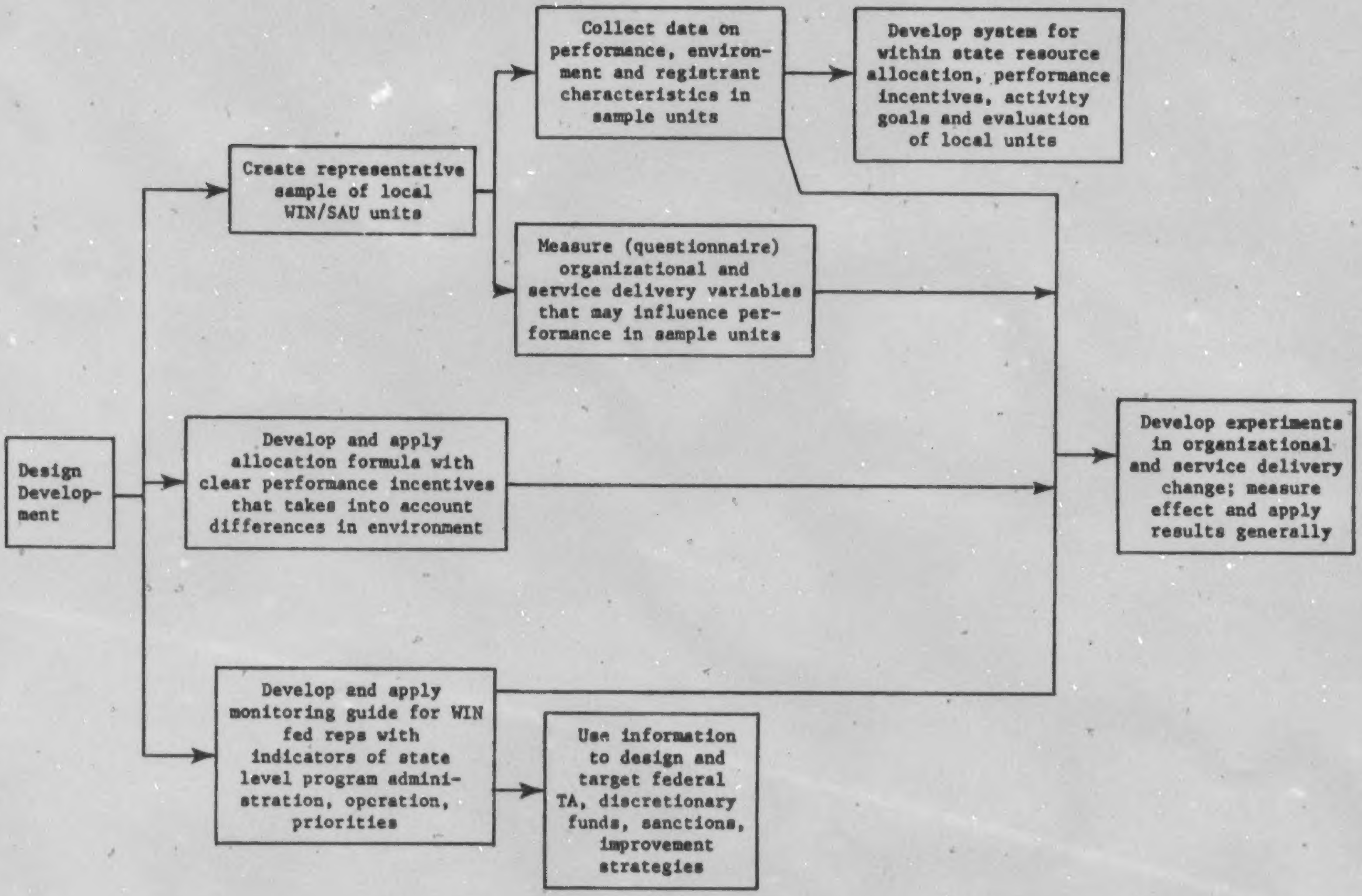
Design Development
Create representative sample of local WIN/SAU units
Collect data on performance, environment and registrant characteristics in sample units
Develop system for within state resource allocation, performance incentives, activity goals and evaluation of local units
Measure (questionnaire) organizational and service delivery variables that may influence performance in sample units
Develop and apply allocation formula with clear performance incentives that takes into account differences in environment
Develop experiments in organizational and service delivery change; measure effect and apply results generally
Develop and apply monitoring guide for WIN fed reps with indicators of state level program administration, operation, priorities
Use information to design and target federal TA, discretionary funds, sanctions, improvement strategies

Figure 13

WIN Performance Improvement Program

be a controversial enterprise, especially for low performing operations that will get smaller proportions of the total funds, so any new system must be able to withstand critical review.

"Developing and applying monitoring guides" was explained in Section 3. Sections 4 and 5 discussed the use of the resulting information in targeting improvement assistance as well as applying incentives or sanctions.

The items shown in the upper part of the diagram are intended to permit (1) continuous monitoring of changes in environment, organization and performance throughout the WIN system and (2) structured performance improvement experiments that will permit the feasibility and impact of various change strategies to be evaluated.

This would involve, first, creation of a stratified random sample of local WIN units that would be representative of all WIN units and periodic (probably annual) collection of data on their environment, client demographics and performance. As shown in Figure 14.1, that data can be used to create a system that would assist state programs in identifying high and low performance among local units and allocating resources among them. This system would be similar to what we have already proposed for federal use with state programs and could be developed using a similar methodology. Use of this system within each state would be left to the discretion of state program administrators.

At the same time survey-based techniques would be developed to measure organizational variables which have been hypothesized to affect unit performance, such as those identified in this study. Data on these variables would be collected on a periodic basis from the same sample of units. Together the two types of data would allow national officials to continuously monitor important changes in the environment, organization and performance of WIN units generally or of particular types of units. The influence of policy or procedural changes in the national program on local operations could also be observed.

In addition, these data could be used in analyses important to the development of performance improvement projects. Relationships among variables suggested by our findings could undergo more rigorous testing and analysis. Cross-sectional analysis of data on these sample units could strengthen evidence about interrelationships previously observed. Longitudinal analysis of these data would permit the inference of cause and effect relationships among these variables. Such analyses would increase the confidence with which WIN administrators could prescribe changes in organizational variables and predict their intended impact on program performance.

Next, low performing state and local programs interested in improving their operations could be identified, and performance improvement projects could be developed and negotiated with state and regional officials. If agreement was reached, data like that collected in the sample of units just described would also be collected in the local units that were to be the focus of change strategies. Actions intended to change organizational variables could then be taken. Data on these "experimental" units' environment, organization and performance would be collected periodically and compared to the same type of data from comparable sample units. This would permit outcomes to be assessed in light of knowledge of what would have happened in experimental sites if experimentation had not occurred. The objective would be to measure accurately whether the actions taken actually caused changes in organizational characteristics and whether changes in those characteristics had a favorable effect on performance.

In this way firmer conclusions could be reached about what organizational characteristics influence WIN performance and what change strategies are most effective. The knowledge derived about how to make welfare-employment programs more productive could then be disseminated and applied generally. More importantly, a mechanism would have been established for exploring the potential of important innovations and for continuous organizational improvement.

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APPENDIX A

METHODOLOGY

This appendix addresses two methodological issues that are important to our institutional analysis of the WIN program--the conceptual structure we used to organize information about state and local WIN programs, and the methods applied at each stage of the project.

1. Conceptual Structure

This section describes the set of rules that we have followed in conducting this study. These rules represent a rational or scientific approach which we believe permitted us to accomplish the following:

- Systematically collect information that was as reliable and valid as the state of the art permitted.
- Place certain levels of confidence on our findings.
- Identify underlying systems of relationships that were possible determinants of observed phenomena.
- Use this knowledge of relationships to predict and to diagnose.

As mentioned in Chapter 1, our primary research purposes were to describe the organization and management of WIN; identify environmental, political and institutional influences on WIN program performance; and suggest ways of improving implementation of the program. To do this, a number of conceptual and practical issues had to be settled. These included: (1) the definition of terms, such as, "environment," "organization" and "performance"; (2) the categorization of potentially important phenomena within and outside the WIN program; (3) the development of constructs, their measurement and their use in hypotheses; (4) the use of models to guide our understanding of WIN phenomena; and (5) the choice of units for observation and analysis.

Definition of Terms

Agreement on the meaning of terms is necessary if ideas are to be conveyed clearly. If we are to identify organizational and environmental factors that systematically differentiate high performing state (and local) WIN programs from low performing ones, we must define what "organization," "environment" and "performance" mean. We defined "environment" as all those factors outside the WIN program and its host agencies over which program personnel have no control. While these factors are potentially infinite in number, we limited our analysis to those thought on *a priori* grounds to have some influence on the program. The "organization" was defined as the WIN sponsor and SAU units *along with* their host agencies. WIN programs are often integrated parts of their host organizations. To isolate our focus on WIN sponsor units and SAU's alone would have been artificial and detrimental to an understanding of the program. We defined "performance" as the final output of WIN services, as established by national WIN policy. The emphasis is on the relative performance of state and local WIN programs and the causes of performance differences, *given* existing legislative mandates and WIN national office priorities. We are not addressing the long-term impact of WIN on the income, earnings or self-esteem of registrants, or the program's impact on registrant family members or the community at large.

Categorizing Phenomena

Phenomena observed within and outside the WIN program are at first glance incoherent and devoid of rational interrelationship. One purpose of our study was to give structure to them--to screen out those that appeared to have an insignificant influence on the program, and to identify interrelationships among phenomena suggested by our data analyses. While parts of this process were simultaneous, we present the entire process as sequential for the sake of simplicity.

The first step was the definition of terms described above. The second step was to identify, label and categorize phenomena. Our specific research focus had an important influence on what phenomena were selected for study and how phenomena within and outside the WIN program were clustered or categorized. If the research questions had been different, some phenomena would not have been identified for study and others might have been categorized differently. For example, impact evaluations of WIN and other programs have traditionally excluded organizational variables or have given them scant treatment. Since their focus is the program participants rather than the implementing organizations, those studies would define "environment" differently than ours.

Table 40 presents the phenomena that we identified for study. It also shows the main categories ("external influences," "organization" and "performance") and subcategories (for example, "socio-economic" and "overall structure") under which these phenomena were classified. These categories were the result of preliminary conceptualization based on our previous contact with the WIN program, our work in other employment and training programs, our review of WIN and welfare-related research, and our understanding of political, organizational and economic theory.

Constructs, Hypotheses and Measurement

The above categories and subcategories are the beginnings of theoretical "constructs." Constructs permitted us to fit categories of phenomena within systems of hypothesized relationships and to identify ways of measuring those phenomena. Our three major hypotheses were

- Environmental factors ("external influences") have a direct and significant influence on the way in which state WIN programs are organized.
- Environmental factors have a direct and significant influence on program performance. (They also have an indirect influence on performance, acting through the "organization.")
- Organizational factors have a direct and significant influence on performance.

The measurement issue will be dealt with in Section 2 of this appendix where the survey and interview data collection instruments we used will be discussed. Decision rules for rejecting null hypotheses and giving support to alternative hypotheses were less rigorous for our survey and interview data than for our quantitative data. If high performing state or local programs generally shared a certain characteristic that was generally absent in low performers, then the null hypothesis was rejected. Alternative interpretations of the observed differences were then examined. This process was supported by statistical analysis where feasible and appropriate.

Use of Models

In behavioral sciences the term "model" has a number of meanings. In our study, models were used to guide formulation and understanding of the dynamics inherent in the WIN program. Some were purely descriptive. They might show the organizational structure of state WIN programs, the functions conducted by managers, or the client flows in local service

Table 40

Categorization of WIN-related Phenomena

EXTERNAL INFLUENCES

Socio-Economic Environment:
- Economic & labor market conditions
- Social & demographic characteristics
- Political culture

Policy:
- National program goals & priorities
- Regional Office priorities

Incentives:
- Funding formulas
- Fiscal sanctions
- State budget oversight

Funding:
- Federal budget levels
- Regional use of discretionary funds
- State funding contributions
- Local subsidies (PSE positions & free office space)

External Bureaucratic Influences:
- Regional monitoring & technical assistance
- Civil Service Commission policies
- Union contracts & activism
- General services

Political Influences:
- Policies & priorities of elected officials & their political appointees
- Patronage
- Professional associations
- Lobby groups

THE ORGANIZATION

Major Determinants

Goals:
- Awareness & application of national priorities
- SAU & WIN sponsor goals
- Incidence of goal displacement

Overall Structure:
- Program size
- Horizontal differentiation
- Vertical differentiation

Organizational Leadership:
- Demographics of top administrators
- Management functions and the way they are conducted
- Delegation of authority
- Communication networks

Staff Characteristics:
- Demographics
- Work backgrounds
- Attitudes and morale
- Competence

Work Unit Characteristics

Work Unit Organization:
- Structure of units
- Span of control
- Client flow
- Specialization (division of labor)
- Standardization (extent of rules and regulations)

Coordination/Communication:
- within WIN sponsor units
- within SAU units
- between WIN sponsor & SAU units

Interorganizational Coordination:
- WIN sponsor/SAU coordination with ES, CETA, IMU, Title XX Voc Rehab & CBO's

Work Unit Management:
- Demographics of managers
- Management functions and the way they are conducted
- Delegation of authority

PERFORMANCE

Retention Rate on Jobs

Job Entry Wage Rate

Job Entries per Staff

Welfare Grant Reductions

delivery systems. However, another set of models was more important to our analysis. These graphically presented systems of relationships and the implications of these relationships suggested by our data analysis. These models accompany the presentation of findings at key points in this report.

Figure 2 in Chapter 1 presented a general conceptual model of the relationships between environment, organization and performance, thus graphically depicting the three major study hypotheses stated above. Figure 14 presents this model in greater detail. It shows the constructs or categories of phenomena within each component of the general model and the interactions among components. These constructs are treated individually in greater detail in our report.

Units of Observation and Analysis

Throughout this study we have collected and analyzed data at two levels. At one level, our unit of observation and analysis was the overall state WIN program. It included not only state level program administration, but also local work units, host agency influences, and external forces that affect the program. At another level, we treated local service delivery systems as the unit of observation. We might have investigated local unit variables alone. But this would have excluded state level factors that we hypothesized might importantly influence both local operations and overall program performance. Thus, data on the state as well as local levels were collected and analyzed.

2. Research Methods

In this section we provide a description of the methods used in conducting our research. The section is divided into 11 subsections that correspond to the procedural steps that we followed in conducting our research. These were:

- Review of relevant research studies, program documentation and field memoranda.
- Creation of an interview instrument for national level respondents, conduct of interviews and content analysis of interview data.
- Preparation of a survey instrument for all state WIN coordinators and phone interview format for all regional WIN coordinators. Collection of survey and interview data, follow-up and analysis.

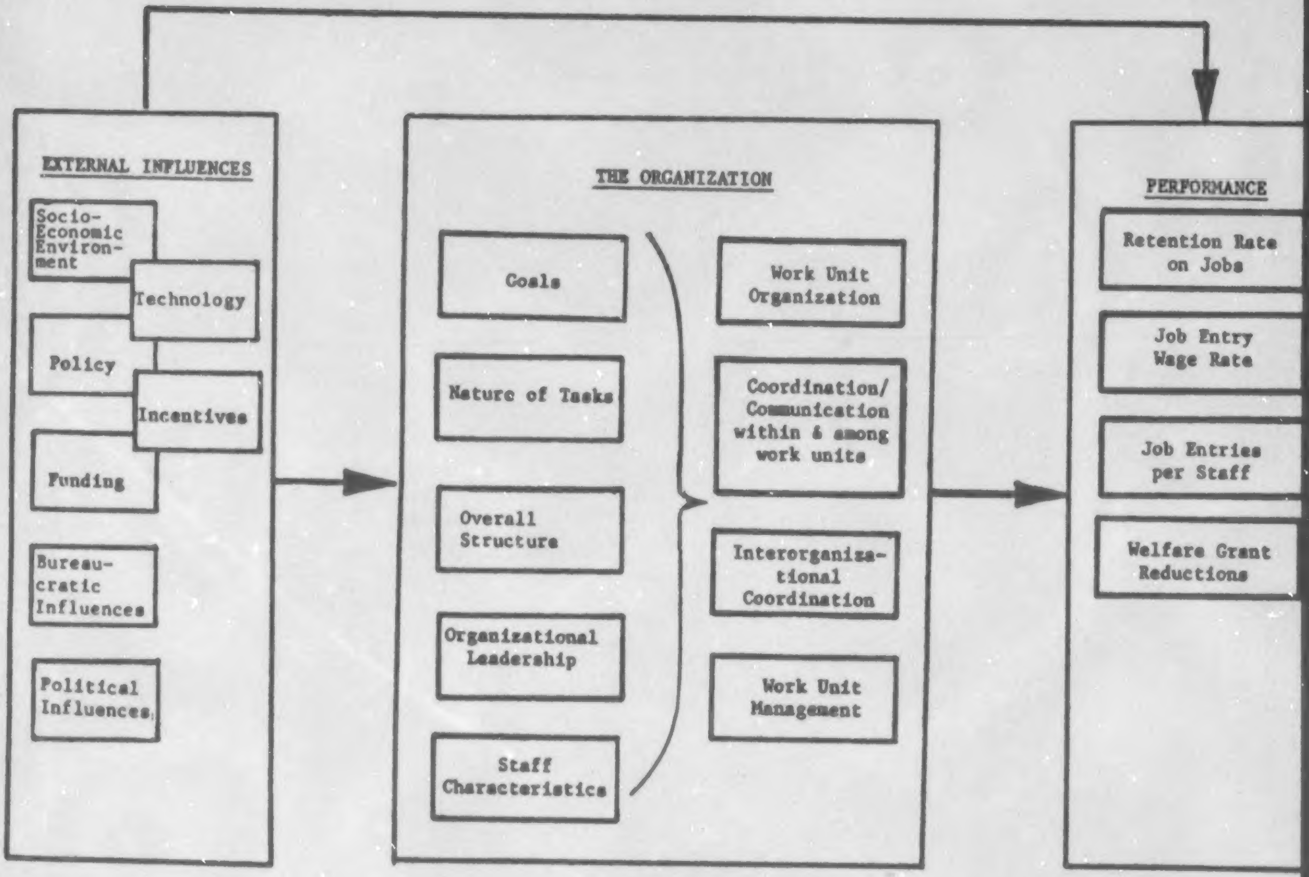
EXTERNAL INFLUENCES
Socio-Economic Environment
Technology
Policy
Incentives
Funding
Bureaucratic Influences
Political Influences
THE ORGANIZATION
Goals
Nature of Tasks
Overall Structure
Organizational Leadership
Staff Characteristics
Work Unit Organization
Coordination/Communication within & among work units
Interorganizational Coordination
Work Unit Management
PERFORMANCE
Retention Rate on Jobs
Job Entry Wage Rate
Job Entries per Staff
Welfare Grant Reductions

Figure 14

Expanded Model of Environment, Organization and Performance, Showing Components of Each

- Development of key WIN performance measures to be used in identifying high and low performing programs and selecting state and local programs for study.

- Development of hypothesized external influences on WIN programs, identification of socio-economic environmental variables and data sources. Analyses of these data to identify environmental factors significantly related to performance.

- Selection of state WIN programs to be visited and studied.

- Development of survey and interview instruments for use in states visited.

- Selection of local WIN units within states to be visited and studied.

- Conduct of field work.

- Detailed statistical analysis of data on all local units within the ten study states. Derivation of path analytic models showing the system of relationships among socio-economic variables, intermediary performance measures (job entries per staff, job entry wage rate and retention rate) and welfare savings.

- Compilation, reduction and analysis of field work data.

Review of Research Literature, Program Documentation and Field Memoranda

As the bibliography to this study indicates, we obtained and reviewed all available prior WIN-related research. In addition, we identified other studies that were conducted on programs that dealt with populations similar to those of WIN and studies on the welfare population in general. Literature on organizational behavior, program implementation and administration, and research methodology that were directly related to our WIN study design were also reviewed. While the majority of this effort occurred during the initial months of the project, throughout the study we maintained contacts with other researchers working on WIN, read their reports and shared information on research findings. Knowledge obtained from this literature review was used in identifying areas for study within and outside the WIN program, framing hypotheses and refining our research design.

Program documentation and field memoranda were reviewed to obtain an historical perspective on the program; a sense of past and current goals and priorities; and an understanding of the structure within OWIN, its linkages with ETA and OHDS, and the lines of authority from the national office to the regional offices and from the regions to the states. These documents were important in designing interview instruments for use at the national and regional level, determining the key performance measures and selecting states for study.

National Level Interviews

Twenty officials and staff were interviewed at the national level. Seventeen of these were in OWIN, six of whom were HEW employees assigned to that office. The remaining three respondents were from the Office of Human Development Services (OHDS) in HEW who had WIN-related responsibilities. These interviews focused on the following issues:

- structure, management and linkages of the WIN program at the national and regional levels;
- division of labor among OWIN staff, their role in policy and decision making, formal and informal communication channels within OWIN, modes of conflict resolution, and frequency and nature of staff meetings;
- goals and priorities of WIN;
- effectiveness criteria used by national office staff in evaluating regional and state programs;
- state programs that were perceived by national staff as relatively high or low performers;
- receptivity and responsiveness of regional offices to national office directives;
- amount of contact between national office and regional, state and local WIN operations;
- history of WIN as perceived by staff--its changes in priorities, acceptance within DOL and HEW, etc.;
- areas of agreement and conflict over WIN between DOL and HEW;

- role and influence of the National Coordinating Committee (NCC) in the WIN program;
- attitudes of officials and staff in HEW, DOL and OMB, as well as in Congress, toward WIN and their influence on the program; and
- perceived effectiveness of the DOL and HEW relationship in administering and operating the WIN program.

Information obtained through these interviews provided us with an understanding of the administrative and authority arrangements found in the federal part of WIN. The interviews also aided us in identifying the program concerns of the WIN national office to be addressed in our study. They provided information useful in determining the key WIN performance measures, identifying state programs to be studied, and developing survey and interview instruments for use at the regional, state and local levels.

State Surveys and Regional Interviews

Each regional WIN coordinator was interviewed by phone to obtain the following information: (1) a ranking of state programs in each region on the basis of their effectiveness in meeting WIN goals; (2) the criteria used in making such judgments; (3) the outcomes of any recent evaluations or monitoring of programs; (4) the internal administrative and authority patterns within the WIN regional office and the nature of its linkages to ETA and OHDS regional offices; and (5) the existence of WIN sponsors other than SESA's in the region (for example, welfare departments, or CETA prime sponsors).

Each state WIN sponsor coordinator was also surveyed by mail questionnaire. All 51 coordinators responded to this survey.* The survey solicited information on (1) the structure and governance of the sponsor agency, (2) the specific location of the WIN program in this host agency, (3) its local service delivery system structure, (4) whether the state WIN central office had line authority over local units, (5) the internal structure of the WIN central office, (6) the incidence of collocated WIN and SAU units, and (7) WIN coordinator perceptions of WIN goals, priorities and key performance measures.

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*Surveyed programs included those in the 50 states and the District of Columbia.

Information provided by regional and state coordinators was used to develop an overall picture of how regional and state programs were organized and to help select states for field study. Analysis of this information also provided us with preliminary findings on the relative priorities of state WIN programs, their agreement with national program priorities, and the association between general organizational characteristics and WIN performance levels. These findings are presented where appropriate in various chapters of the report.

Determination of Key WIN Performance Measures

Appendix B describes how we determined the key performance measures for the WIN program. These measures became the criterion variables for our overall study. They are used to indicate the relative effectiveness of state and local programs in meeting national WIN goals. The importance of particular environmental and organizational factors for WIN programs is, in the final analysis, based on their association with these performance measures. The four performance measures used in this study are retention rate on jobs, job entry wage rate (relative to prevailing wage rates), job entries per sponsor staff, and average monthly welfare grant reductions (relative to the product of average number of registrants and average monthly welfare grant). We reached a determination on these performance measures through interviews and consultation with OWIN officials, content analysis of program documentation, and statistical analysis of the discretionary (performance-oriented) portion of the WIN Allocation Formula for a three-year period.

Socio-economic Environmental Influences on Program Performance

As any local WIN worker will tell you, the prevailing conditions in a job market and the demographic characteristics of WIN registrants have a major impact on registrants' likelihood of getting jobs and on the quality of such jobs measured by how long they last and wage rate. It is reasonable to hypothesize that it would be more difficult for disadvantaged workers to find jobs in labor market areas with high unemployment rates or very few low-skilled jobs. In addition to examining the effects of labor market conditions on disadvantaged job seekers, research has also shown that certain characteristics of individuals are related to welfare status. For example, expected duration on welfare for males is, on average, significantly lower than for females. These studies also show that expected duration on welfare varies considerably by the ethnicity and age of recipients. In addition, the level of educational attainment appears to have a significant influence on the length of time individuals stay on welfare. Therefore, it was reasonable to hypothesize that these demographic characteristics also have similar influences on WIN program performance.

These and other environmental differences among state and local programs were taken into account when we analyzed the relative effectiveness of programs. The procedures we used are covered in Chapter 2 and are treated in more detail in Appendix B. The procedures involved: (1) development of hypotheses on the influence of certain environmental factors on performance; (2) statistical tests of these hypotheses using both state aggregate and local data; (3) development of path analysis models explaining the socio-economic influences on WIN performance; and (4) statistical adjustments to performance for environmental differences.

Selection of State Programs for Study

An optimal research design for ascertaining the relative influence of different organizational factors on program performance would have involved the random sampling of state programs to identify those for study. Such a sample would have been representative of the universe of state WIN programs--those with "high," "average" and "low" performance.

However, budget limitations prevented us from drawing such a random sample of state programs and conducting field research in them. Given this budget constraint and the focus of our research effort--identifying what differentiates high from low performers--we selected a set of high performing state programs and a set of low performers for study. Our selection process statistically adjusted for differences in the environments of state programs. It also sought to create roughly comparable pairs of programs (one high and one low performer) from each geographic region of the country.

Thus, at the outset there were no "average" performers among our study states. However, one of the states that had been a high performer for at least two years dramatically declined during the year of our field work, according to that fiscal year's performance reports. Throughout the text, that state is often referred to as the "declining performer" and appears as "State E" in the tables. The performance levels of the other nine states remained relatively stable.

In addition, we included programs that had shown significant increases or decreases in performance levels during the three year period for which we had conducted statistical analyses. We were hoping to identify factors that had contributed to these changes in performance. Other criteria used in this selection process were the different organizational arrangements found in state programs. We wanted to include in our study sample state programs that varied in terms of (1) presence or absence of line authority over their local units, (2) collocation of SAU and WIN sponsor local units, and (3) state or county administered welfare programs.

Since state selection was closely linked to our analysis of socio-economic influences on WIN performance, our selection process is discussed further in Chapter 2 and Appendix B.

Survey and Interview Instruments Used During State Visits

Information gathered by survey and interview instruments both supplemented quantitative data from program reporting systems or other data bases and measured phenomena not previously examined. Program phenomena that survey and interview instruments addressed were presented in Table 40 .

A survey instrument was administered in those local programs visited. It was designed to measure organizational characteristics of WIN units providing services to registrants. This questionnaire was based on one that had been previously used in employment and training programs and that had undergone extensive validity and reliability testing.

A semi-structured interview guide was used to elicit information on phenomena so diverse or so sensitive that survey techniques were deemed inappropriate. These phenomena included political influences on the program, the perceived competence of coworkers or the behavior of superiors. Open-ended interviews permitted us to ask follow-up questions that clarified and substantiated a response. What evidence could a respondent cite to back up his initial assertion or characterization? Finally, the interviews provided "benchmarks" for the survey data. When workers in one unit indicated in the survey that they had "quite a bit" of influence over local office decisions, what did that mean in actual behavior or operation? Was that comparable to the same response by workers in another unit?

Survey and interview instruments were field-tested and modified to improve their accuracy and clarity. Experienced field researchers were used in the field work. They were trained not only on interview techniques but also on the content of the instruments, the purposes for specific questions and the future use of the data.

Appendix C contains the outline of the interview guide used in the field research phase and the type of respondents interviewed in each state. Respondents were asked different questions depending upon their organizational affiliation, personal responsibilities and governmental level (federal, state or local). A number of respondents were asked the same question in each location visited, permitting cross-verification of responses.

Selection of Local WIN Units for Study

Our procedure for selecting local study units was similar to our state selection process. Due to budget constraints, we did not randomly sample units. We selected local units that statistical analysis showed were either high or low performers within their states.

In seven of our ten study states, there were a sufficient number of local units to permit meaningful statistical analysis of local unit performance and socio-economic environmental data. This analysis permitted us to statistically adjust for differences in local socio-economic environment as we assessed relative performance of local units.

In selecting among possible study units other criteria came into play. We wanted a set of offices representative of metropolitan, suburban and rural operations within the state. We also wanted examples of WIN sponsor-SAU collocation and local service delivery experiments.

When we entered a sample state we had already identified a set of units for possible study through our analysis. During the first day at the state central office, we discussed our choices with WIN coordinators and their staff. In all cases these individuals found our identification of high performing local programs and low performing units consistent with their own assessment. Adjustments were rarely required in our sample of local units, although idiosyncratic considerations like the absence of the manager or the presence of a regional review team occasionally affected our final selections. Each of the 43 local offices visited, therefore, were high or low performers relative to other offices in the same state. As is discussed in Chapter 2 and Appendix B, however, statistical analysis of data from all 214 local offices in the ten states revealed that some of the offices that were high or low performers within a given state were, in fact, "average" performers compared to offices across all ten states.

Conduct of Field Research

Table 41 presents the total number of local WIN units in each study state and the number we visited. Overall, we conducted field work in 43 local WIN units. In most of the study states, ten staff days of field work were conducted, but several of the larger states required 15. On average, about 40 individuals were interviewed at the state, area and local level in each state. These included WIN sponsor, SAU, SESA, welfare, ES and CETA personnel. They ranged from state agency directors to local service deliverers. If an intermediate area administrative layer existed,

Table 41
Units in Study State Programs

Study State	Total Number of Local WIN Programs	Number of Local Units Visited
1	20	7
2	18	[illegible]
3	56	5
4	26	4
5	6	4
6	10	2
7	27	4
8	4	3
9	13	3
10	34	5
	214	43

area staff with responsibility for local units we visited were interviewed. Where possible, we also interviewed state budget office or legislative staff familiar with WIN. Respondents were promised that their identity and that of their site and state would be kept confidential. In total, 430 individuals were interviewed:

19	WIN, ETA and OHDS Regional Office staff
125	state personnel (state and area level WIN sponsor, SAU, welfare, SESA and CETA staff)
223	local WIN sponsor and SAU staff
63	local non-WIN personnel (ES, IMU, CETA, vocational rehabilitation and other community based organizations)
430	total

Statistical Analysis on Local Unit Environmental and Program Data

Our local unit selection process resulted in a comprehensive data base on all 214 local units in the ten study states. This data base included WIN and SAU program data, local labor market characteristics, demographic and social indicators for the service areas covered by WIN units, and demographic data on WIN registrants.

Multiple regression analyses were used on this data base to identify possible systems of relationship among socio-economic environmental variables and WIN performance measures. Statistical procedures tested whether the assumptions underlying the analysis were being violated. These tests and our statistical findings are briefly presented in Chapter 2 and in greater detail in Appendix B. The final outcome of these analyses was the development and testing of path analytic models that show possible relationships among environmental variables, intermediary performance measures (retention rate on job, job entry wage rate and job entries per staff) and welfare savings.

This process also permitted us to evaluate the program reporting systems being used in state WIN programs and assess the validity, reliability and accuracy of reporting categories as well as actual reported data. Problems which were identified are addressed in Appendix B and in Chapters 2 and 14 of the report.

We also tested associations between WIN sponsor performance variables and SAU activity variables and relationships among the performance variables themselves. Findings from this analysis should be useful in revising planning, evaluation and allocation procedures. They should also help in incorporating SAU data into an overall WIN reporting and monitoring system.

Compilation, Reduction and Analysis of Field Work Data

By the conclusion of the field work phase, all survey and interview information had undergone preliminary processing. Survey questionnaires had been reviewed and coding corrections made where necessary. The coded data were keypunched and a subfile created in our computerized data base.

Similarly, interview information had been coded by type of respondent and response subject. To facilitate file creation and content analysis, the response of each interviewee to each question had been recorded on 5x8 index cards. These cards were filed by state, local unit and subject. When more than one subject was covered by a response, the card was cross-coded, and xerox copies were filed where appropriate.

The contents of interviews were analyzed manually by subject area. This information was then examined to identify categories of responses. Categorized responses were then compared across units and states. Comparisons were also made to state or local performance levels. Patterns were thus identified. Additional analyses were conducted using quantified program data when available.

Survey data were analyzed by local unit using computer printouts of individual responses and unweighted and weighted aggregations of responses. Cross-tabulations and statistical analyses were conducted to test hypotheses and to elucidate patterns that appeared to exist among study variables.

In the end, we had three different types of information to analyze: (1) quantified data from program reporting systems and other national and state sources; (2) pre-categorized measures of local unit characteristics from survey questionnaires; and (3) categorized, qualitative interview data on a broad variety of state and local organizational, procedural and functional variables.

From our analysis of state program and socio-economic quantitative data, we can make inferences that hold for all state WIN programs. For example, findings relating to the influence of socio-economic environmental factors on state aggregate WIN performance can be interpreted with high levels of confidence. They infer what probably is the case across all state WIN programs.

The results of our analysis of local performance and socio-economic environment must be viewed more cautiously. As stated previously, we were unable to draw a random sample either of state programs or of local units. Therefore, while high levels of confidence can be placed on our findings about relationships among local environmental and performance variables in the ten state programs studied, inferences to the universe of local WIN units must be modified by the degree to which our 214 local units are representative of the universe of all local units. However, data on all local units in the ten states are probably representative of those local units found in high and low performing state programs.

Data on those local units visited (43 of 214) in the ten study states also must be interpreted with caution. We had originally hoped to use surveys in all offices in our ten study states or in a random sample of those offices. This would have provided measures on organizational variables that could have been used in our quantitative analyses and resulted in statements of statistical inference at least about the universe of offices in ten states. However, funding for this component of the project was not made available.

We believed that the survey and interview data reliably and validly describe phenomena in the offices we visited. While we do not claim that these units are representative of all offices, data and analyses presented in Parts III and IV of the report do provide strongly suggestive findings on what differentiates high from low performing state and local WIN programs. On a number of important dimensions, there are consistent, clear and systematic differences between high and low performers.

APPENDIX B

SOCIO-ECONOMIC INFLUENCES ON WIN PROGRAM PERFORMANCE--CONCEPTUALIZATION, STATISTICAL ANALYSIS AND PROCEDURES

This appendix presents in greater detail the general discussion of environmental influences on WIN program performance found in Chapter 2. It is subdivided into five sections. The first focuses on the conceptual framework that guided our research on environmental and organizational factors influencing WIN program implementation. The second describes how we identified key WIN performance measures--the dependent variables in our study. Analysis of state-level aggregate data on environmental and performance variables is treated in the third section. This is followed by a section on our analysis of data on 214 local WIN units in the ten states studied. The concluding section considers areas where the general approach presented in this appendix could be further refined and could be used in longitudinal research to statistically infer with greater precision cause and effect relationships among environmental, organizational and performance variables.

1. Conceptual Framework

Chapter 1 presented the general hypothetical model that is at the core of this research effort. This model is reproduced here as Figure 15 . Subsequent chapters of the report expanded upon this model--fleshing out the variables of interest that made up each of its component parts. How this model was used to guide our analysis of socio-economic influences on WIN performance levels is the subject of this section. It also describes how this statistical analysis of environmental and performance data was used in exploratory research on the organizational determinants of WIN program effectiveness.

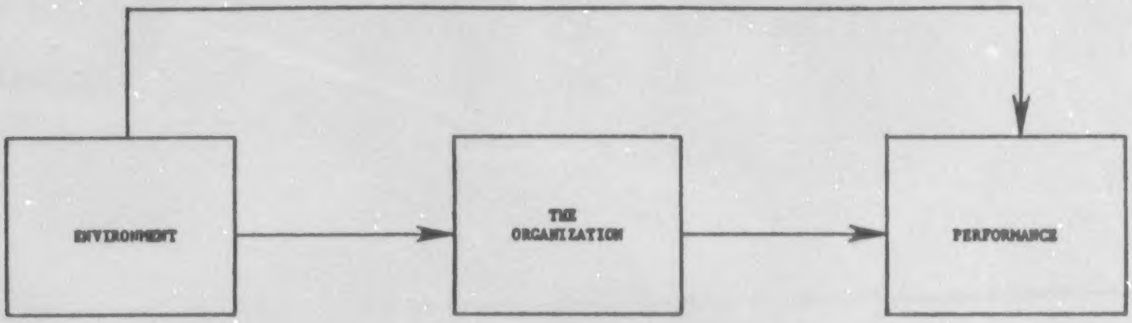

Figure 15

General Model Showing Hypothesized Relationships Among Environmental, Organizational and Performance Variables

In essence, the model hypothesizes that program performance levels are determined and moderated by environmental and organizational factors. The environment encompasses factors beyond the control of the agency implementing the program. These include (1) labor market conditions, (2) socio-demographic characteristics of the catchment area's population and of WIN registrants, and (3) political and bureaucratic forces external to the program. Internal organizational factors cover administrative and structural aspects of WIN programs, managerial characteristics, service delivery procedures, intra-and inter-agency linkages, staff characteristics and the like.

The relationships hypothesized in Figure 15 can be depicted by the functional statement,

$$Y = f(L, S, P, X)$$

where Y = a measure of overall WIN program performance or a vector of a number of performance indicators
L = a vector of labor market factors
S = a vector of socio-demographic characteristics of the general population and of program participants
P = a vector of bureaucratic-political forces that are external to the program
X = a vector of organizational characteristics that describe the agency or agencies implementing WIN.

However, this functional relationship only indicates that performance (Y) is determined in some unspecified way by a set of environmental variables (L, S and P) and by internal organizational factors. Specification of hypothesized systems of relationships can be accomplished through the use of path models. Such a model is presented in Figure 16. For the sake of simplicity, the environmental variables (L, S and P) are subsumed by the variable Z. Organizational and performance indicator factors remain defined as X and Y, respectively.

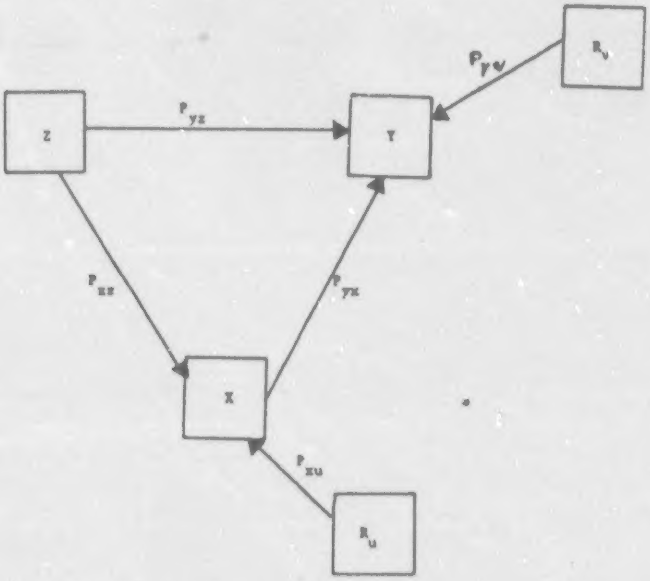

Figure 16

Simplified Path Model of Hypothesized Relationships among Environmental (Z), Organizational (X) and Performance (Y) Variables

Environment (Z) is shown as having a direct effect on the organizational characteristics (X) of the agency implementing the WIN program, a direct effect on program performance levels (Y), and an indirect effect on performance through the intermediary organizational characteristics. Organizational variables are shown having only a direct effect on program performance levels. Other notations in Figure 16 identify path coefficients (the p's) and residuals (the R's). Path coefficients indicate the direction and strength of relationships between variables; residuals, the variance left "unexplained" by regressing one or more variables on another. A more detailed discussion of path analysis and its contribution to research of this kind is provided in Sections 4 and 5.

The model presented in Figure 16 now permits us to refine the previous functional relationships as a hypothesized system of equations:

$$X = p_{xz}Z + p_{xu}R_u$$

$$Y = p_{yx}X + p_{yz}Z + p_{yv}R_v$$

The above path model and equations present an hypothesized system of relationships that could be tested, given certain conditions. These conditions include the following:

- Sufficient information on environmental (Z) and organizational (X) factors likely to influence WIN program effectiveness (Y) based on prior research, field observations and theory so that variables could be identified for study and reliably and validly measured.

- Development of measuring instruments that would permit quantification of organizational phenomena capturing internally consistent variables and using terminology and scales that would reliably and validly measure these variables in diverse settings and reflect as closely as possible their "real world" variations.

- Sufficient number of randomly sampled observations (state and local WIN operations) upon which parameter estimates could be made at acceptable levels of reliability and precision given the number of variables included in the hypothetical model.

- Measurement and analyses of variables over time so that changes in environmental and organizational variables could be related to changes in WIN effectiveness levels. A single point-in-time (cross-sectional) analysis does not permit inferences about causation. A longitudinal approach does.*

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*Cross-sectional research reveals co-occurrences, which can be used to strengthen logical arguments for hypothesized relationships. Causation classicially is demonstrated by experimental manipulation of independent variables while observing changes in dependent variables. It can also be inferred by observing naturally occurring changes in the independent variables and relating these to simultaneously measured changes in the dependent variables.

- Verification that assumptions underlying multivariate analysis are not violated. These include tests for non-linearity, multicollinearity, heteroskedasticity, normal distribution of residuals and their nonassociation with predictor and dependent variables, and the like.

As Appendix A indicated, not all of the above conditions could be satisfied at the outset of our study of WIN programs, especially those pertaining to organizational variables. Sufficient information did exist on hypothesized and observed relationships between socio-economic environmental factors and program performance (e.g., the quantity and quality of unsubsidized job entries). Such evidence was provided by research on other employment and training programs.* Variables were well-defined and comparable data on state and local labor markets and the socio-demographics of their populations were readily available from national and state sources. Thus, we could statistically relate these environmental conditions to WIN performance levels, at least cross-sectionally and over several years for which performance information was available.

However, the same could not be said for organizational variables (those making up the X vector in our hypothetical path model). As stated in Chapter 1, research had not been previously conducted on these variables in the WIN program. Our only guides on these variables were our previous study of ES implementation structures and theoretical models posited by organizational behaviorists and others. This theoretical literature provided some guidance. It assisted us in developing a list of variables that together captured many of the phenomena associated with organizational dynamics. But it did not facilitate the winnowing down of these variables to a limited few likely to influence an organization's effectiveness. This was because there was a lack of consensus in the literature. Different camps of theorists focused on different aspects of "organizations," stressed different sets of determinants, and advocated different analytic approaches. Furthermore, these theories had undergone few empirical tests, and "testing" was often limited to observations made in a single firm or a small set of firms. In short, there was little agreement on key organizational variables, and different ways of defining and measuring these variables existed.

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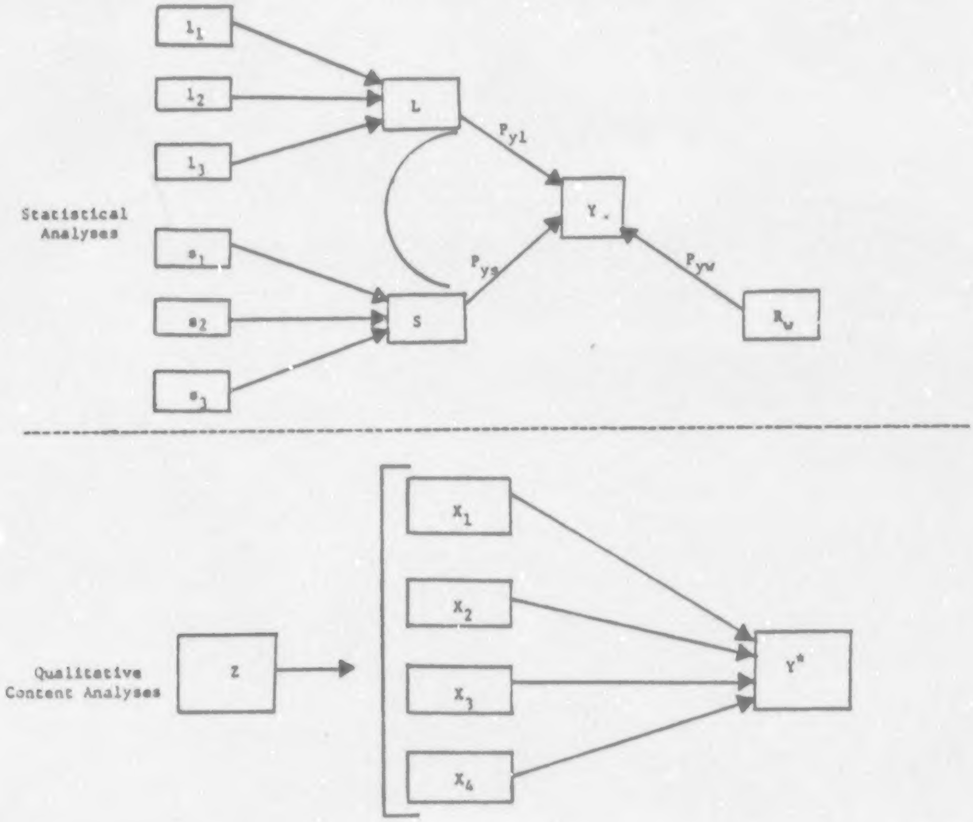
*Examples of such studies are as follows: Curtis C. Aller, Ramona K. First, Donald Mayall, John Mitchell, and David Roberts, "Labor Market Variables Affecting Employment Service Productivity," Center for Applied Manpower Research (CAMR), Berkeley, California, 1974; Charles K. Fairchild, Development of Performance Standards for Employment Service, Volumes IIA and IIB, E. F. Shelley & Co., Washington, D.C., 1975; Fred Englander, An Evaluation of the Allocation of Funds Among State Employment Service Agencies, New Jersey Department of Labor and Industry, 1975; "Guide for Application of Resource Allocation Formula (RAF) for Fiscal 1977," United States Employment Service (USES), Department of Labor (DOL), 1976; "Handbook for Applying the Resource Allocation Formula to Measure Employment Service Performance and to Allocate Title III ES Grants to States for Fiscal Year 1978," USES, DOL, 1977; and Resource Allocation Formula for Fiscal Year 1979 working papers (unpublished) for "Productivity Adjusted for Labor Market Factors" calculations, Westat, Inc., 1978.

As a consequence, our inquiry on organizational variables influencing WIN program effectiveness was exploratory. A major objective of the study was to describe organizational dynamics found in WIN programs and to identify those key organizational variables that appeared to be affecting program outcomes. It was our judgment that a reduced set of such variables could not be identified, accurately defined or parameterized prior to field work. Thus, "identification" involved (1) gathering information on an extensive list of variables describing state and local programs, (2) a posteriori refinement of WIN organizational indicators, (3) categorization of the extent to which they varied in kind and intensity among programs studied, and (4) content analysis associating these variations with variations in program performance.

Consistent with this exploratory approach, we used semi-structured interviews to obtain information on organizational characteristics. These were supplemented by questionnaire data on a limited number of variables--variables generally recognized as important in organizational studies. We also chose to conduct intensive research in a limited number of state (ten) and local (43) WIN programs rather than a more cursory inquiry in a greater number of sites. The result was a more in-depth understanding of state and local WIN organizational characteristics. Important variables were less likely to escape our attention and variations among programs were identified in greater detail.

To maximize the likelihood of identifying organizational characteristics that differentiated high from low performing WIN operations, we selected state programs to study only from the two ends of the performance distribution. Average performing state programs were not selected for study. Similarly, we conducted field work in only high and low performing local operations within each of the study states. Thus, state and local WIN programs studied were not randomly sampled. Inferential rigor was traded off for more in-depth analysis of two sets of programs--one consisting of high performing programs and the other of low performers.

Our two-fold approach--one involving statistical analysis of socio-economic environment and performance and the other a qualitative exploratory search for organizational factors differentiating high from low performing WIN programs--is depicted in Figure 17.



l_1
l_2
l_3
L
P_{yl}
Y.
Statistical Analyses
s_1
s_2
s_3
S
P_{ys}
P_{yw}
R_w
X_1
X_2
Qualitative Content Analyses
Z
X_3
X_4
Y^*

Figure 17

Two-Fold Approach--One Statistical, the Other Qualitative--to Explore Environmental and Organizational Determinants of Program Effectiveness

The top half of the figure presents a model where labor market (L) and socio-demographic (S) variables are regressed on WIN program performance levels (Y). Each environmental vector (L&S) is shown as an unmeasured, scaled score derived from a number of measured variables (the lower case l's and s's). This convention is used to simplify the presentation of the approach. Our actual analysis involved the regression of these measured variables (the l's and s's) on WIN performance measures.* Covariation between labor market and socio-demographic variables is shown as (and is assumed to be) spurious and noncausal. The residual (R_w) is the variation in performance not directly attributable to labor market or socio-demographic variables. This "unexplained" variation is assumed to be due to the indirect effects of the socio-economic environment on performance, bureaucratic and political influences, the direct effects of organizational variables, other non-measured effects, and random measurement errors. The residual term is shown as uncorrelated with predictor variables. WIN program performance is shown as a single vector, Y. The definition of this dependent variable and its decomposition into a number of indicators consistent with national WIN policy is treated in the next section.

Regression of socio-economic variables on WIN performance indicators took the form of:

$$Y_i = a_o + \sum_{j=1}^{J} b_{1j} L_{ij} + \sum_{k=1}^{K} b_{2k} S_{ik} + e_i$$

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*We chose a strategy of disaggregating socio-demographic and labor market variables in our analysis rather than aggregating their influences into a single, complex variable. In this way, we could better "understand" the individual relationships between particular environmental factors and performance as well as their combined influence on performance. We were also less likely to include variables in our analysis that were not logically associated with performance or that were components (or endogenous measures) of the variables under study rather than possible causes. (Otis Dudley Duncan, "Path Analysis: Sociological Examples," American Journal of Sociology, 72:1, July 1966, pp. 7 and 10.)

where for the ith state (or local) WIN program

Y_i = a WIN performance indicator

L_{ij} = the jth variable describing the state aggregate (or local) labor market

S_{ik} = the kth variable identifying socio-demographic characteristics of the population in the catchment area and of WIN program registrants (for statewide or local programs)

e_i = the residual variation.

Data was analyzed for 51 state WIN programs and 214 local WIN operations in the ten states studied. Procedures followed in this analysis and our findings are reported in Sections 3 and 4 of this appendix.

The bottom half of Figure 17 presents the hypothetical model we used in analyzing the qualitative and quantitative information gathered during field research in ten state and 43 local WIN programs. We attempted to identify possible associations between socio-economic and political variables (Z) and organizational factors (the X's), indirect effects of environmental variables on WIN performance, and the influence of organizational characteristics on program performance. Program performance (Y*) shown in this part of the figure was defined as the degree to which actual performance approached or exceeded the performance level one would expect given a program's socio-economic setting. Testing this hypothetical model involved content analysis of interview and questionnaire data. Therefore, statistical notations are not included in this portion of the figure. However, we did use simple bi-variate correlations to simplify the presentation of observed associations. These correlations were supported by examination of scatter diagrams and by the use of moving means (the average value on the ordinate axis for each scalar measure on the abscissa). The results of these analyses are provided in Parts III and IV of the report.

The two separate analyses portrayed in Figure 17 converge at Y*--the point where actual performance is compared to potential performance (the performance one would expect for a state or local WIN operation given its socio-economic environment). Potential performance on a particular indicator was estimated by a regression equation containing the environmental predictor variables developed by the first (statistical) type of analysis. This "expected" performance level was then compared to actual performance to provide a measure of effectiveness for the second (qualitative) type of analysis.

The validity of this approach was dependent on the patterns of association found among environmental, organizational and performance indicators. If a particular set of environmental variables were directly related to both organizational and performance variables, then any associations between these organizational and performance variables would be spurious. In such a situation, one could not suggest that these organizational characteristics influenced the performance levels of WIN programs. For example, if population density and proportion of workers in low wage industries were associated with performance and also related to certain organizational characteristics, then any observed relationship between these organizational variables and performance could be spurious.

However, if certain socio-economic factors were directly related to performance but showed no association with measures of organizational structure or behavior and these organizational factors were in turn directly related to performance levels, one could suggest their possible causal influence on program performance.

For this reason, Chapter 3 examines in considerable detail possible patterns of association between external political/bureaucratic conditions and organizational characteristics, and between these political factors and program performance. Similarly, Parts III and IV of the report analyzed organizational factors and their possible associations with socio-economic variables and performance levels. In both cases, our qualitative analysis did not identify systematic relationships between environmental variables (that were significantly related to performance levels) and organizational characteristics. Organizational factors and performance did not have a common set of environmental determinants. Therefore, associations between organizational variables and performance (presented in Parts III and IV of this report) are not likely to be spurious. Thus, they suggest possible causal linkages between organizational factors and program performance levels.

The exploratory nature of our study and the way in which sites were selected for study does not permit us to identify the combined influence of organizational factors on performance. Thus, the strength and direction of such influences are necessarily described by bivariate correlations. Section 5 of this appendix indicates how one could now address these combined influences and identify the relative significance (as measured by regression coefficients) of organizational factors as determinants of performance. Thus, this exploratory effort lays the groundwork for more rigorous analysis of organizational determinants within state and local WIN programs. It provides a knowledge base on environmental, organizational and performance variables and their likely interaction that did not previously exist. This study could assist those interested in efficient, reliable and valid quantification and analysis of WIN organizational characteristics. Its findings suggest a system of relationships that could be further tested and refined through the use of randomly selected WIN units, standardized questionnaires, cross-sectional analysis, simulations and experimental manipulation of variables aimed at improving program performance.

2. Performance Indicators for WIN

This section focuses on what is meant by output or performance in the WIN program. It describes how we identified the key performance indicators for WIN and how they were utilized in our study to identify organizational characteristics that differentiated high from low performing state and local WIN programs.

Performance measures have played a central role as criteria throughout this study. They served as the standards by which organizational characteristics were judged efficient and effective. Adjustments in them were used to reflect the impact of environmental factors on program operation and output. And they provided the basis for selecting state programs for intensive study.

The results of our analysis of WIN performance measures presented in this section address two questions:

- What indicators are used to measure--and reward--performance in the WIN program?
- Which of these indicators or measures are most emphasized and most heavily rewarded?

Sections 3 and 4 of this appendix use these performance measures in identifying the impact of environmental factors on state and local WIN program performance. They also describe the process by which state and local programs were selected for field work and analysis.

Program Goals, Priorities and Performance Indicators

The goals of a program can be operationalized through program performance or output measures. The goals may then be prioritized by the policy or budget emphases given to the different indicators.

Goals and relative priorities may be communicated via verbal and written messages delivered through planning and budget sessions, field memoranda and other program documents. These channels state the general emphases of the program, what activities should receive priority in service delivery, the monitoring that should be done, and the kinds of information that should be reported. However, priorities communicated may not be clear to program operators in the field, or they may shift frequently, leading to the perception that "we have so many priorities that we have none."

Priorities can be communicated more clearly and precisely through a resource allocation process. Dollars are directly linked to certain results, such as job placements or welfare grant reductions. If the allocation formula and process are understood, they tell state programs what performance measures are important and also their relative priority, in terms of which performance indicators yield the greatest dollar payoff.

Both policy statements and allocation messages are used in the WIN program to establish goals and priorities. Since its inception in 1967, the WIN program has been concerned with providing employability services and job opportunities to eligible welfare recipients. The intention is to increase the economic self-sufficiency of recipients and decrease welfare costs for federal and state governments. In a general sense, these are the objectives of WIN, and to the degree that a state program achieves them, it is either a high or low performer. But which indicators measure achievement of these objectives, and what is their relative priority?

To identify the key WIN performance measures, we interviewed National Office WIN administrators and staff, reviewed program documents and field memoranda, surveyed regional office and state WIN coordinators, and analyzed the WIN Allocation Formula. In the following subsections we treat the allocation messages first, because they are most susceptible to objective analysis and interpretation. The priorities identified through analysis of the WIN Allocation Formula are then compared to those expressed in written policy statements--National Coordinating Committee (NCC) operating memos, the WIN Operational Planning and Review System (OPRS), the WIN Handbook and the explanatory material accompanying the WIN Allocation Formula.

These two sources of evidence on goals and priorities are then compared to two other, less formal but important sources of evidence. One is the perception of DOL and HEW administrators and staff about program goals and their relative importance, as gleaned from interviews in the National Office. The other is information from a mail survey of state WIN sponsor coordinators which included questions on program performance measures and their relative importance. Taken together, these comparisons reveal the degree of goal consensus between the National Office and program operators in the field as well as the degree of consensus between program administrators' perceptions of priorities and those actually operationalized and rewarded by the allocation process.

Performance Factors in the WIN Allocation Formula

The WIN Allocation Formula is really two separate formulas--a mandatory allocation formula and a discretionary one. As required by law, the mandatory portion of the formula allocates 50 percent of the new WIN appropriations to regions and their state programs on the basis of "need," that is, on the basis of each state's share of the national potential WIN registrant population. This mandatory formula does not take into consideration program performance. Allocations under it do not reflect the relative effectiveness or efficiency of WIN programs.

Therefore, our analysis focused on the discretionary portion of the formula, which allocates funds among states partly on the basis of comparative program performance. This part of the formula distributes to regions and their state programs the remaining 50 percent of new appropriations plus carry-in funds from the previous fiscal year (FY). Our analysis was done using the WIN Allocation Formulas for FY 1976 and FY 1977. Slight changes were made in the formula for FY 1978, but it remained basically the same as in the previous two years.*

How well each state performs relative to the others in eight program areas plays a role in the discretionary allocation to each state. The total discretionary amount given to each region is the sum of the computed allocations for all the states within the region. The National Office presents the state allocations to each regional office as suggestions only. Each regional office has the authority to alter them. While regions do not have to allocate funds to states on the basis of the formula, it is an authoritative statement of the national goals and priorities of the program.

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*Most of the quantiative analysis and simulations discussed here were completed prior to the release of the WIN Allocation Formula for FY 1978. However, we have included FY 1978 data in our analysis of performance factors and discretionary allocations where such inclusion was both feasible and appropriate.

In theory, the discretionary portion of the WIN Allocation Formula tells regional and state WIN coordinators which objectives and performance measures are important in WIN and how they should be ranked by attaching differential weights to the different performance indicators.

In practice, regions may alter the criteria for allocating funds to states. In so doing, they also may be changing the message on performance priorities going out to states. Thus, in some regions state WIN programs may be maximizing on regional performance priorities that are somewhat different from national priorities. However, we were interested in identifying national performance priorities, just as our overall study was concerned with the types of organizations and linkages that were associated with the efficient and effective attainment of national goals. Therefore, our analysis of the WIN Allocation Formula focused on the national suggested allocations rather than actual allocations made by regions.

Figure 18 presents the discretionary formula in mathematical form. As can be seen, it is neither straightforward nor easily comprehensible. It is not a linear equation. It contains eight different formula factors. These are the "basic building blocks" of the discretionary formula. In other words, these factors cannot be broken down any further and no other factors are used in deriving state discretionary allocations.* Most of these factors measure program activity that WIN managers and staff have at least some control over. In a general sense, these could be called "performance factors." Other factors are really "givens," that is, they describe conditions that the program has little direct influence on. They therefore set parameters on what could be expected of a program. These will be referred to as "parametric factors." The eight formula factors are as follows:

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*Of course, the total congressional appropriation for the WIN program and carryover funds for each fiscal year are "factors" in determining discretionary allocations to states. In Figure B.4 these are subsumed under the variable "X."

$$Y_i = .2X \left[\underset{\text{WGR}}{\left\{ \frac{(12 \cdot 12 \cdot A_i \cdot D_i \cdot H_i)^2 / G_i}{\sum_{i=1}^{n} \left[(12 \cdot 12 \cdot A_i \cdot D_i \cdot H_i)^2 / G_i \right]} \right\}} + \underset{\text{Wages}}{\left\{ \frac{(936 \cdot B_i \cdot C_i \cdot D_i)^2 / G_i}{\sum_{i=1}^{n} \left[(936 \cdot B_i \cdot C_i \cdot D_i)^2 / G_i \right]} \right\}} + \underset{\text{WGR}}{\left\{ \frac{E_i \cdot F_i}{\sum_{i=1}^{n} (E_i \cdot F_i)} \right\}} + \underset{\text{Wages}}{\left\{ \frac{E_i \cdot C_i}{\sum_{i=1}^{n} (E_i \cdot C_i)} \right\}} \right] + .1X \underset{\text{WGR}}{\left\{ \frac{\frac{(12 \cdot 12 \cdot A_i \cdot D_i \cdot H_i)^3 / G_i}{E_i \cdot F_i}}{\sum_{i=1}^{n} \left[\frac{(12 \cdot 12 \cdot A_i \cdot D_i \cdot H_i)^3 / G_i}{E_i \cdot F_i} \right]} \right\}} + \underset{\text{Wages}}{\left\{ \frac{\frac{(936 \cdot B_i \cdot C_i \cdot D_i)^3 / G_i}{E_i \cdot C_i}}{\sum_{i=1}^{n} \left[\frac{(936 \cdot B_i \cdot C_i \cdot D_i)^3 / G_i}{E_i \cdot C_i} \right]} \right\}}$$

Performance Component

Potential Component

Achievement of Potential
Component

Where:

Y_i = discretionary allocation for each state WIN program
X = national discretionary allocation for a particular FY
A_i = average monthly welfare grant reductions (AMWGR) for each state program
B_i = number of job entries for each program
C_i = average job entry wage rate for each program
D_i = average retention rate on jobs for each program
E_i = "potential" WIN registrants for each program
F_i = average monthly welfare grant (AMWG) for each state
G_i = annual dollar cost of each state program
H_i = penalty rate for poor reporting for each program
936 = number of hours in half a working year

Figure 18

Mathematical Depiction of the Discretionary Portion of the WIN Allocation Formula for FY's 1976 and 1977

Performance Factors
(1) average monthly welfare grant reductions (AMWGR)
(2) number of job entries
(3) average job entry wage rate
(4) average retention rate on jobs
(5) annual dollar cost
(6) penalty rate for poor reporting

Parametric Factors
(7) "potential" WIN registrants
(8) average monthly welfare grant

These formula factors are combined in different ways to form six distinct components within the discretionary formula. Together the components determine the suggested discretionary allocation for each state WIN program. These components are:

(1) a welfare grant reduction (WGR) performance component;
(2) a wages performance component;
(3) a WGR potential component;
(4) a wages potential component;
(5) a WGR achievement of potential component; and
(6) a wages achievement of potential component.

As previously stated, each component uses a number of formula factors. For example, the "welfare grant reduction (WGR) performance component" consists of four performance factors, as shown below.

$$\text{AMWGR Performance Component} = \left\{ \frac{(12\cdot 12\cdot A_i\cdot D_i\cdot H_i)^2/G_i}{\sum_{i=1}^{n}\left[(12\cdot 12\cdot A_i\cdot D_i\cdot H_i)^2/G_i\right]} \right\} \cdot \left(\begin{array}{l}\text{20 percent of the total}\\ \text{Discretionary Dollar}\\ \text{Allocations for all states}\end{array} \right)$$

Where for each state WIN program:
A = average monthly welfare grant reductions
D = average retention rate on jobs
G = annual dollar cost
H = penalty rate for poor reporting

Also no factor is restricted to just one component; each factor is used in at least two components. For example, the parametric factor, "potential number of WIN registrants," is utilized in four of the six components. This factor acts as a measure of potential performance against which actual performance can be compared.

Complicating matters even more, combinations of factors are squared and cubed and are used in both the numerator and denominator of a number of components. The result is a complex system of inter-relationships in which a change in one factor can have repercussions in many of the formula's components. Table 42 lists the eight formula factors and indicates in which components they are used. This complexity may well defeat the formula's purpose of communicating clear goals and priorities to regional and state coordinators.

To find out what the priorities in the formula actually were, correlation analysis and simulations were performed to determine the relative impact of individual formula factors on the discretionary allocations to states.

Correlation Analysis. A bi-variate correlation identifies the degree to which change in one variable, such as a WIN performance factor, is associated with change in another variable, such as state discretionary allocations. It provides a statistic, the correlation coefficient, which describes the strength and direction of this relationship. The square of the correlation coefficient (the coefficient of determination) indicates what proportion of the variation found in the values of a variable is associated with those of another variable.

Correlation analysis (along with examination of bi-variate scatter diagrams) indicates the degree to which a relationship between two variables is linear. However, as Figure 18 shows, the discretionary formula is not linear. Thus the relationship it defines between performance factors and discretionary allocations should also be non-linear. However, we suspected that another factor not explicitly included in the formula--the relative size of state WIN programs--was actually the dominant influence on discretionary allocations and that the relationship between this factor and the allocations was linear. Therefore, we felt that something important could be learned from correlations between the formula factors and allocations.

Table 43 presents statistics on the associations between formula indicators and discretionary allocations in FY 1977. This table shows that a state's share of the discretionary WIN funds can be accurately predicted at a very high level of confidence from data on its welfare grant reductions (AMWGR), job entries or potential WIN registrants. However, these variables are less performance measures than they are proxies for size. As the size of a state'S WIN program (number of registrants) increases, so do the absolute values of these performance measures.

Table 42

Eight Factors Used in Discretionary Portion of the WIN Allocation Formula for FY's 1976, 1977 and 1978

Factors	Components Where Factors Used					
	Performance Component		Potential Component		Achievement of Potential Component	
	WGR	Wages	WGR	Wages	WGR	Wages
1. Average monthly welfare grant reduction	X				X	
2. Number of job entries		X				X
3. Average job entry wage rate		X		X		X
4. Retention rate on jobs	X	X			X	X
5. "Potential" WIN registrants*			X	X	X	X
6. Average monthly grant			X		X	
7. Annual dollar cost of state WIN program	X	X			X	X
8. Penalty rate for poor reporting	X				X	

*Determined by the number of AFDC families in a state multiplied by the national proportion of AFDC recipients who are registered for WIN.

Table 43

Bi-Variate Correlations Between State Shares of Discretionary Funds and Factors in the FY 1977 WIN Allocation Formula

Factors in Formula	Correlation Coefficient	Standard Error of Estimate**	Percent Variation Explained
AMWGR	.965*	.672	93.2%
Job Entries	.959*	.727	92.0%
No. of Potential Registrants	.900*	1.117	81.1%
Annual Dollar Cost of State WIN Program	.597	2.060	35.7%
Job Entry Wage Rate	.447	2.296	20.0%
AMWG	.431	2.317	18.6%
Retention Rate	-.250	2.486	6.2%

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*Statistically significant at the .01 level.

**The standard error of the estimate is a statistic that describes the accuracy of the values predicted by the regression equation. The lower the standard error of the estimate, the more accurate the predictive power of the regression equation.

Thus, the association between certain performance indicators and discretionary allocations shown in Table 43 is mostly due to the influence of program scale. When the scale effect is eliminated, the correlation between the measures and discretionary allocations decreases dramatically.* As Table 44 shows, state population variation accounts for between 60 and 75 percent of the variation in discretionary allocations among states

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*The correlation of AMWGR with allocations (Table 43) produces a correlation coefficient of .965. When each state's AMWGR is divided by that state's average monthly cost of welfare grants, the correlation coefficient drops to -.087. Similarly, the correlation of job entries with allocations is .959, but the correlations of job entries per staff year with allocations is only .164.

Table 44

Bi-Variate Correlations Between State Shares of Discretionary Funds and Measures of WIN Program Scale for FY's 1976, 1977, and 1978*

Independent Variable	FY 1976		FY 1977		FY 1978**	
	Correlation Coefficient	Percent Variation Explained	Correlation Coefficient	Percent Variation Explained	Correlation Coefficient	Percent Variation Explained
State population	.8481	71.93%	.8712	75.90%	.7740	59.91%
Average number of registrants in January	.9095	82.72%	.9280	86.12%	.8450	71.40%

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*All correlation coefficients are statistically significant at the .01 level.

**The decrease in the influence of scale on discretionary allocations in FY 1978 is probably due to the change in the definition of "retention rate" for that year's WIN Allocation Formula.

for FY's 1976 through 1978. The average number of WIN registrants (the basis for WIN mandatory allocations) also explains between 71 and 86 percent of the variation in state discretionary allocations. Thus, scale is the major determinant of the distribution of discretionary allocations among the states, with program performance affecting allocations only marginally.

This finding had implications for the kind of performance measures that we used in our study of the WIN program to assess program effectiveness and to determine the influence of exogenous factors on program outputs. We felt that the performance measures we used should control for scale. They should focus, not on the absolute level of job entries, AMWGR's and job entry wages, but on placement productivity per staff, welfare savings as a proportion of welfare grant costs and job entry wages relative to prevailing wages. In this way, we were able to focus on the productivity or efficiency of state WIN programs. Use of these kinds of performance indicators would permit comparisons of organizational characteristics in highly productive and efficient programs with those in less productive programs.

Given the non-linearity of the discretionary formula, correlation analysis could do little more than point up the dominant role scale played in distributing discretionary WIN dollars among regions and states. It could not show which formula factors when considered simultaneously had the greatest impact on a state's share of these resources. To find this out, we next analyzed the effects on discretionary allocations caused by a change in each factor independently and within the context of the formula.

Formula Simulations. One way to identify the relative importance of factors in the allocation formula is to perform a computer simulation of the discretionary formula, changing each factor individually by a fixed percentage and evaluating the impact of that factor on each state's allocation. The most important factors would be those whose change on average caused the largest changes in state allocations.*

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*We are indebted to Dr. Charles H. Holt of the University of Texas, formerly with The Urban Institute, for recommendations on methods for identifying the relative impacts of factors in the WIN Allocation Formula on state discretionary allocations.

Table 45 presents data on the average change in state discretionary allocations due to changes in formula factors and the range of these changes.* It shows that performance indicators in the formula that measure the quality of placements have a greater impact on discretionary allocations than those that measure the quantity of placements. The largest payoff in discretionary dollars (14.97 percent) comes from retention rates. The next highest impact on allocations is caused by a cluster of three performance factors. Of these three, job entry wage rate has the greatest influence, followed by the number of job entries and the amount of AMWGR's. The remaining four factors have considerably less impact on allocations.

However, Table 45 presents only the average effects of changes in formula factors on allocations for all state WIN programs. This pattern of relative impacts on allocations did not necessarily hold for individual regions and states. Retention rate had the most effect on discretionary allocations for 37 state programs, but job entry wage rates had the greatest influence in 14 states and job entries, in one state.

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*The following procedures were used in this simulation:

--The accuracy of the discretionary allocation formula as presented in Figure 18 was first tested by using it to calculate allocations to states based on the performance data used by the National Office for FY 1977 allocations and comparing the results to the actual WIN allocations.

--Each performance factor was increased by 10 percent for each state, holding all other factors and all other states constant at their FY 1977 levels. For example, the AMWGR for Connecticut was increased by 10 percent while the remaining seven performance factors were held constant. By also holding all other states constant at their FY 1977 levels, the impact on each state's allocation is not confounded by the effects of changing a factor in the remaining 51 WIN programs. After the calculation for Connecticut was completed, its AMWGR value was returned to its FY 1977 value before the next state's AMWGR value was increased and its impact on allocations calculated. This process was repeated for each state WIN program and for each performance factor.

--By maintaining a constant total discretionary allocation for the national program, changes in the dollar amount of state allocations were equal to changes in state shares of the national allocation.

--After increasing each factor independently by 10 percent for each agency, the average impact on state discretionary allocations due to these inceases was determined for each of the eight performance factors in the WIN Allocation Formula.

Table 45

Average Changes in Discretionary Allocations Caused by a 10 Percent Increase in Each of Eight Formula Factors, with all Other Factors Held Constant at FY 1977 Levels

Allocation Formula Factor	Average Change in State Discretionary Allocations Caused by a 10% Increase in the Factor	Range of Changes in State Discretionary Allocations Caused by a 10% Increase in the Factor
Retention Rate	14.97%	2% to 27%
Wage Rate	8.31%	4% to 17%
Number of Job Entries	7.53%	2% to 20%
AMWGR	7.47%	0% to 17%
Penalty for Poor Reporting	-6.44%	-15% to 0%
Dollar Cost	-5.44%	-9% to -1%
Potential WIN Registrants	2.20%	-5% to 9%
Average Monthly Welfare Grant	1.11%	-3% to 4%

In no state was AMWGR the most significant factor, but in some it ranked higher than its fourth place in the national averages.*

The factors' impacts can be very different in different states. The effect on discretionary allocations of 10 percent increases in the four leading performance factors is shown for four selected states in Table 46. This wide variation means that, given the current allocation formula, a particular state program might or might not maximize its share of discretionary funds by emphasizing those performance factors which have the greatest average impact on allocations nationally. In the example below, states A and D would, like most states, gain most by improving their job retention rates. However, state B would do better if it emphasized job entry wages, and state C would gain a bigger payoff from improving job entries than from either retention rates or job entry wages.

Table 46
Percentage Change in Discretionary Allocation Caused by a 10 Percent Increase in Leading Performance Factors for Selected State WIN Programs

State WIN Program	Retention Rate	Job Entry Wages	No. of Job Entries	Amount of AMWGR
State A	27%	13%	17%	10%
State B	6%	10%	6%	1%
State C	10%	10%	12%	10%
State D	23%	5%	6%	17%

Furthermore, the simulation shows only how changes in the performance factors affect discretionary allocations, not whether changes in the factors are practicable for states. Retention rates may have the greatest average influence on allocations, but the many states which already have retention rates in the 90 percent range would probably not be able to improve them significantly. They would achieve more payoff by seeking to improve performance on other indicators.

More generally, the ranking of the indicators considers only the potential benefit in allocations of increasing each indicator, not the costs of doing so. To improve retention or wage rates may potentially yield a state the greatest return, but if the staff resources or other costs required to do this are high, improving performance on another indicator may be more cost-effective.

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*See Mitchell et al. (1977a), pp. 17-20.

For several reasons, this simulation oversimplifies reality. It identifies the potential impact of formula factors on discretionary allocations. It holds all other factors and states constant as one factor for a state is increased. This isolates the influence of each individual factor on individual states.

In reality, the influence of individual factors is not isolated. The impact of each measure on a given state's allocation affects the impact of the other measures. Each state's performance on the measures affects the relative performance of the other states. And, as explained in Section 3, performance on the various indicators is strongly influenced by a number of non-program factors such as labor market conditions and the demographic characteristics of WIN registrants. These effects, too, vary from indicator to indicator and from state to state.

Our analysis of the WIN Allocation Formula showed that:

(1) Essentially the same formula was used in FY's 1976, 1977, and 1978 to allocate discretionary funds to regions and to suggest allocations to states.

(2) State discretionary allocations were determined more by the comparative size of state WIN programs than by their comparative performance.

(3) While eight formula factors played a role in calculating each state's suggested funding level, four of these factors had by far the greatest impact on discretionary allocations. In order of impact, these four factors are:

--Job retention rate
--Job entry wage rate
--Number of job entries
--Average monthly welfare grant reductions (AMWGR)

(4) The discretionary portion of the allocation formula is so complicated that determining which performance measures have the greatest influence on allocations would be very difficult without simulations of the kind reported here.

Policy Statements on WIN Performance Measures

Because the WIN Allocation Formula was difficult to interpret, it was probable that many WIN coordinators assigned priorities to program goals and to performance indicators based primarily on the oral and written messages sent out by the National Office.

This section examines the performance measures that were emphasized by program documentation and that WIN officials said were important. It compares those statements to the budget messages found in the formula. Questions addressed include the following:

- Are WIN administrators at different levels aware of the performance indicators and relative priorities emphasized in the WIN Allocation Formula?
- Do they see these indicators and priorities as the most appropriate for WIN? Do they think other objectives are more important?
- Are the indicators and priorities stressed in the WIN Allocation Formula also stressed in directives the National Office sends to the field?

These issues were addressed through a review of WIN program documents, interviews with National Office WIN staff, and a survey of state WIN coordinators.

Program Documentation on Goals and Objectives. A review of WIN documents* showed that National Office policy statements had consistently stressed the same multiple objectives during the period 1975 to 1977.* State programs were instructed to assist WIN registrants to find employment--leading to self-sufficiency and independence. The quality of jobs, measured by entry wage rates and retention rates, was to be such that reggistrants would eventually leave welfare rolls or at least significantly decrease their dependence on welfare. The four objectives--job entries, welfare grant reductions, and quality of jobs measured by entry wage rates and retention rates--were to be attained in the most cost-effective manner.

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*We reviewed the following program documents for policy statements on the WIN program and for indicators to measure regional and state compliance with these national policies:

(1) National Coordinating Committee Operating Memoranda (NCCOM);
(2) Explanatory material accompanying WIN Allocation Formula computational tables and suggested allocations;
(3) WIN Operational Planning and Review System (OPRS);
(4) WIN Handbooks on regulations, procedures and processes;
(5) WIN Financial Management Handbook and guidance on reporting systems;
(6) WIN and ETA guidelines on regional monitoring and review of state programs;
(7) Preliminary reports from the management indicators project; and
(8) Internal program memos on performance indicators.

However, the *emphasis* the National Office gave to each changed during the period. For FY 1976 and FY 1977, direct placement--the *quantity* of job entries--appeared to be given top priority. Maximizing the number of job entries was emphasized as the most cost-effective way of reducing welfare grant costs. The *quality* of jobs in which registrants were placed was apparently given a lower relative priority.** States and regions that followed the verbal directives of the National Office would have emphasized number of job entries. In fact, as we have seen, changing placement performance was far less likely to affect a state's discretionary allocation under the WIN Allocation Formula than changing retention rates.

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*We chose the three year time frame, 1975 to 1977 because it is the most recent. Thus, it is most relevant to the program as it now exists. Also, it is a period of relatively stable policy in WIN and one in which the allocation formula remained unchanged. Prior to 1975, major emphasis had first been placed on training and supportive services (1968 - 1971) and then on the single objective of direct placement (1971 - 1974).

**NCC Operating Memos transmitting suggested allocations for FY's 1976 and 1977 tended to emphasize increasing *the number* of registrants being placed. For example, the memo for the FY 1977 allocations gave a full array of objectives, but direct placement and placement-related activities were listed before objectives on improved retention and wage rates in the memo's "national objectives," "policy emphases" and "operational emphases" sections (NCCOM No. 20-76, June 1, 1976, pp. 1-2). In addition the Handbook for the FY 1977 WIN Allocation Formula contained the following references:

> "The number of registrants who get jobs is one of the most important factors in determining how much money a state gets. Thus it is important to understand the trade-off results in terms of WIN dollars received from the allocation formula. Such a trade-off could be between emphasis on making more placements and emphasis on making fewer placements, but in jobs with higher wage rates or in jobs in which registrants are likely to stay for longer periods." (p. 3)
>
> ". . . the number of jobs is much more important than the wage rate for allocation." (p. 15)
>
> ". . . if a program manager finds that providing an orientation session or training option results in *doubling* the wage rate for many clients or increases the retention rate substantially, he can afford fewer placements." (p. 17, emphasis added)

The language used in policy statements for FY 1978 seems to show a shift.* Job quality was given a policy stature at least equal to number of job entries. This brought written policy statements in line with the fiscal message on priorities found in the WIN Allocation Formula. Now, if states and regions followed National Office policy directives, they would stress retention and wage rates--the factors that do, in fact, yield the largest rewards under the discretionary formula.

While this change is partly obscured by the general and varying phraseology in some statements about program goals and objectives, it is still discernible. Furthermore, the change was verified by our interviews with National Office administrators who told us that they were moving to an emphasis on job quality rather than quantity of placements, while still maintaining a balanced mission of multiple objectives.

Another source of guidance are the measures used within the program itself to monitor and assess achievement. Program documents mention dozens of such indicators.** Some measure actual levels of activity against

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*For example, the NCCOM that accompanied FY 1978 suggested allocations stated:

> "Since retention rates have a two-fold impact on the allocation formula, it is in the best interest of each state and RCC to focus on improving this activity." (NCCOM No. 20-77, May 31, 1977, p. 3.)

**The program documents reviewed and the number of indicators suggested by each are as follows:

Source	No. of Indicators
WIN Financial Management Indicators, WIN Financial Management Seminar Handbook	16
WIN Program Management Indicators, IMPACT's "Summary Descriptions of Management Indicators"	25
WIN FY '77 Performance Indicators, WIN Operational Planning and Review System (OPRS)	13
"Three Level Monitoring Concept," Data Users Guide (Preliminary draft)	5 (level I) 12 (level II) 51 (level III)
Internal WIN memo recommending the use of ten measures as key "analytical indicators"	10
Regional Review Process Guide	96

planned levels. Some focus on the productivity of WIN service staff (or SAU staff), and others are concerned with fiscal accountability and cost-effectiveness. Several performance indicators are used to measure essentially the same phenomenon.*

Despite the bewildering variety, the phenomena being measured remain substantially the same--the quantity and quality of job entries, welfare savings, program and service component costs, mix of services provided, and the demographic characteristics and status of registrants. Many of the performance indicators used in the WIN program measure in one way or another the four performance factors emphasized in the WIN Allocation Formula--job retention rate, entry wage rate, number of job entries and welfare grant reductions.**

National Office Perceptions on Goals and Performance Priorities. Existing performance indicators and documentation about them are necessary--but not sufficient--evidence of what program goals and priorities National Office staff consider important. Therefore, we also posed the question of goals to the National Office directly in the course of intensive interviews with some 20 officials there.

National Office staff appeared to agree substantially about goals. All said that WIN's main objective was to help AFDC recipients become self-sufficient and/or decrease or eliminate their dependence on welfare. Most staff thought that the best way to achieve this overall goal was a program that balanced the specific goals of job quantity, job quality, and reductions in welfare grants. Within this group, the majority gave greater weight to the quality of jobs; the minority, to quantity of jobs. None, however, wanted to pursue either quantity or quality to the complete exclusion of the other. The differences were matters of degree only, not clear-cut disagreements.

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*For example, job placements may be presented as total entered employment, full-time entered employment, direct job entries, volunteers entered employment, entered employment from labor market exposure, etc. Similarly, placement data can be treated as a benefit-cost ratio (cost per entered employment), a productivity measure (number of job entries per staff year), a measure of goal achievement (actual vs. planned placement) or a penetration rate (proportion of registrants that are placed).

**These four factors play a role in seven of the 13 OPRS performance indicators, 32 of the 68 indicators used in the "three level WIN monitoring system" and 20 of the 25 management indicators developed by IMPACT (Institute for Manpower Program Analysis, Consultation and Training, Inc.).

National Office staff were also asked which indicators they used to assess regional and state performance. Here, the consensus was not as focused but was still clear. Of those staff who followed regional and state performance data (many watched only national trends), the largest group looked at the same four indicators which we have found most significant in the WIN Allocation Formula--job entries, retention rates, entry wage rates, and AMWGR. They felt that these indicators *in combination* (along with program cost data) provided the best overview of a region's or state's performance. Some also reviewed actual against planned activity levels and expenditure rates. A smaller group looked only at placement indicators or gave them priority over other indicators. Overall, once again, the differences among staff seemed to be more of degree than of kind.

The statistical and simulation analyses of the WIN Allocation Formula reported here were discussed with senior National Office staff during two meetings in July 1977. The consensus at both meetings was that the relative impacts of formula factors on allocations reflected National Office priorities. There was also agreement on the *type* of performance measures that we would be using in our study of the WIN program, i.e., measures which reflected productivity and efficiency, rather than the relative size of state WIN programs.

Three approaches were devised for "defining" WIN performance and were presented during our second meeting with National Office staff. The first option simply involved the selection of one of the four measures as *the* key performance measure for assessing state WIN programs. This option was quickly discarded. The second option gave *equal* importance to each of the four measures. The third drew upon our findings from the analysis of the allocation formula. It gave each measure a policy weight equal to its relative impact on discretionary allocations. The consensus of the group was to use the third option.

To sum up, the degree of goal consensus among National Office staff seems high. This consensus also agrees closely with the objectives emphasized in the WIN Allocation Formula. However, National Office priorities have come to agree with the balanced emphasis in the formula only recently--earlier, a stress on direct placement was evident.

Therefore, it cannot be assumed that state WIN coordinators hear clearly the message coming from the WIN Allocation Formula and the National Office, or that they agree with it. We turn now to some evidence that was acquired prior to our field work in ten sample states about state-level perceptions of WIN program goals and priorities.

State WIN Coordinator Perceptions of Program Goals and Priorities. In a survey of state WIN coordinators, we included two questions on the relative importance of WIN performance indicators. The questions and the results are given in Table 47.

One question concerned the performance measures that state WIN coordinators used to assess their local service delivery units and also asked for a ranking by importance of these measures. The other question sought what they perceived to be the performance measures used by federal program managers in assessing state programs and what federal officials' relative priority was.

Generally, state WIN coordinators ranked performance goals in the same order as they felt federal WIN managers ranked them. They gave top priority to the number of placements made, followed by welfare savings and job retention rates. This is probably consistent with policy statements on priorities given by the National Office prior to the release of FY 1978 planning and allocation materials.

However, as Table 48 shows, important differences exist between what state WIN coordinators saw as performance priorities and what factors are most heavily rewarded in the WIN Allocation Formula.

Standardized Performance Measures

Four measures were identified as the key indicators of WIN program performance through our analysis of the WIN Allocation Formula, interviews with National Office staff, a review of program documents and a survey of state WIN coordinators.

These findings were important to our institutional analysis of the WIN program. The indicators made possible an agreed definition of performance by which to compare state WIN programs. These measures were used to identify the organizational and managerial features of state and local programs which seemed conducive to high and low performance. As mentioned above, National Office staff supported a composite performance indicator for state programs based on our findings.

Table 48

Comparison of Priority Rankings of Performance Measures by Dollar Payoffs in WIN Allocation Formula and by State WIN Coordinators

Performance Indicators (Goals)	Ranking by Dollar Payoff in WIN Allocation Formula	Ranking by Perceived Priority of State WIN Coordinators
Job Retention Rate	1	3
Entry Wage Rate	2	5
Number of Job Entries	3	1
Average Monthly Welfare Grant Reductions (AMWGR)	4	2
Dollar Cost of State Program	5	4

Two operations were necessary to develop a composite measure. First, the indicators used had to be standardized to eliminate the "scale effect" in the allocation formula factors as they existed. State programs with large numbers of registrants would necessarily have had large numbers of job entries and welfare grant reductions compared to states with smaller registrant populations. Differences among states in prevailing wage levels and the amount of average welfare grants also had to be controlled for. We standardized job entry wage by dividing each state's or local operation's figure by its prevailing average wage rate. Similarly, the number of job entries for each state or local program was divided by its number of paid staff positions, and the average monthly welfare grant reduction (AMWGR) of each state or local operation was divided by its average monthly welfare grant costs (average welfare grant multiplied by number of registrants). Retention rates required no standardization.

Table 47

State WIN Coordinators Ranking of Program Performance Measures

Q: As a state WIN coordinator, what measure(s) of WIN performance do you use to evaluate local unit performance? Please rank the following performance measures from 1 (most important) to 6 (least important).

	Average ranking scores by 52 state coordinators	Average rank order by 52 state coordinators
number of job entries	1.10	(1)
welfare savings	2.70	(2)
job retention rates	2.74	(3)
cost effectiveness	4.26	(4)
wage at job entry	4.62	(5)
number of AFDC employables served	5.06	(6)

Q: What do you see to be the important performance measures by which Federal administrators currently assess your state WIN program? Please rank the following in order of importance.

	Average ranking scores by 52 state coordinators	Average rank order by 52 state coordinators
number of job entries	1.24	(1)
job retention rates	3.00	(2)
welfare savings	3.16	(3)
cost effectiveness	4.27	(4)
wage at job entry	4.43	(5)
number of AFDC employables served	5.02	(6)

The use of numbers of paid staff to normalize the job entries indicator had the additional advantage of introducing a proxy for cost-effectiveness or productivity into the performance measure. The indicator analysis showed the relative cost of state WIN programs to be a less significant performance measure in the WIN Allocation Formula and in National Office perceptions than job entries, job retention, job entry wages, or AMWGR. However, this factor was still vital to National Office staff with fiscal and financial management responsibilities. As a proxy for productivity, staff resources also could be measured without consideration of differences in public employee wages among states--a factor beyond the control of WIN managers.

Second, the standardized factors had to be weighted to produce a composite measure. As our simulation analysis showed, the factors had different relative impacts on state discretionary allocations. The different weights reflected the policy priorities of National Office WIN administrators. We have used these same relative weights to produce the composite indicator.

Table 49 presents the standardized performance measures that we used in our institutional analysis of the WIN program and the weights used for each. The table also gives the data sources for each measure. Some of these standardized measures are identical to performance indicators found in WIN program documents and used by some WIN reporting or monitoring systems.

Two qualifications should be emphasized. First, the indicators chosen were those stressed as most important in the WIN Allocation Formula and in National Office pronouncements and perceptions. They were not policy judgments which we made.

Second, performance criteria other than the four indicators were not ignored in the course of field research. For example, we attempted to identify and examine data on SAU performance, such as the number of registrants certified per SAU staff and the availability of supportive services. Problems associated with such SAU measures of effectiveness were dealt with in detail in the main body of our report.

3. Socio-economic Influences on State WIN Performance Levels

This section presents findings of our analysis of data on state socio-economic environments and their relationships to state WIN performance levels. It addresses and tests a basic hypothesis of this study; namely, are some state socio-economic settings more conducive to meeting

Table 49

Standardized WIN Performance Measures, Data Sources for Measures and Weights Derived from Analysis of WIN Allocation Formula

Standardized Performance Measures	Data Sources for Measures	Weights Derived from Analysis of WIN Allocation Formula	
		Absolute Weights	Percent of Total Weights[6]
1. Retention Rate	WIN Allocation Formula Table 2.[1]	14.97	39.11%
2. Entry Wage Rate / Prevailing Wage Rate	WIN Allocation Formula Table 6.[2]/Average hourly gross earnings of production workers on manufacturing payrolls (Employment and Earnings, BLS)	8.31	21.71%
3. Number of Job Entries / Staff Positions Paid	WIN Allocation Formula Table 5, Col. 7.[3]/Cost Accounting System Report 96	7.53	19.67%
4. Average Monthly Welfare Grant Reductions / Average Monthly Welfare Grant Costs	WIN Allocation Formula Table 5, Col. 3.[4]/WIN Allocation Formula Table 6, Col. 6 x Table 1, Col. 3.[5]	7.47	19.51%

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1. Col. 7 for FY'76, Col. 11 for FY'77 and Col. 3 for FY'78.
2. "True" weighted average using Cols. 3, 4, 6 and 7 for FY's '76 and '77; Table 4, Col. 4 for FY'78.
3. Table 4, Col. 3 for FY'78.
4. Table 3, Col. 2/Col. 1 for FY'78.
5. Table 7, Col. 3 x Table 1, Col. 3 for FY'78.
6. Absolute weights total to 38.28, so that 14.97 is 39.11% of total.

WIN performance objectives than others? And if this is the case, what socio-economic indicators best describe differences among state environments? Which of these are most systematically associated with performance differences among state WIN programs?

If state WIN programs in certain kinds of settings tend to attain higher levels of performance than programs in other types of environments, then the environment in a very real sense defines their potential output. To varying degrees it hinders or facilitates the movement of WIN registrants into employment. It similarly influences the types of jobs available, the hiring criteria of employers, likely wage rates and the duration of jobs. Therefore, as environments differ among states, so too do their potential performance levels. These environmental differences thus should be considered in some way in evaluating state programs and identifying organizational factors that might differentiate the more "effective" WIN programs from the less "effective" ones.

Comparing state WIN program structures, resource management and processes without taking account of environmental differences would be similar to comparing the harvest of a farmer on rich delta land to that of a farmer on rocky hill country. One would naturally expect differences in their production. But would the farmer on fertile land be any better a farmer--be more effectively operating his farm--than the one facing less favorable soil conditions? The same holds for state WIN programs. Officials and staff in state programs facing more difficult labor markets could be operating their programs more effectively than those in more favorable environments. But because of environmental differences the less effective operation could have higher absolute levels of performance than the more effectively operated program. Analysis presented in this section is meant to minimize the distortion of our perceptions of relative program performance caused by environmental differences so that we can examine organizational characteristics for their possible associations with program performance.

This section first addresses environmental factors that have been hypothesized to affect program performance and describes the data base we used to test the hypotheses. Next we describe the statistical analyses done using these data to test which of the factors are individually and in combination most closely associated with WIN performance as defined in the previous section. Lastly we describe how we used these results, plus qualitative information, to identify a sample of high and low performing state programs for our field research.

Developing Hypotheses and Data Bases

The first step in our analysis was to identify economic or labor market conditions and demographic characteristics of WIN registrants that might have a significant effect on program performance and thus might be related to some of the variation in performance among the states. Previous research on WIN was reviewed to find which exogenous factors* had been suggested in those studies as possibly affecting WIN activities and performance.

Since the focus of most of those studies was the impact of the WIN program on participants, they yielded some suggestions about the possible relationship between registrant demographics, WIN services provided, and program performance. However, few were concerned with the effect of economic and labor market conditions on program performance. Thus, we developed hypotheses ourselves about how WIN performance might be affected by conditions such as unemployment rate, prevailing wage levels and unionization. Hypotheses were also developed about the likely impact of a few relatively fixed program characteristics for which reliable data could be obtained, such as entry level salaries of interviewers and counselors.

The hypotheses and data sources presented in Table 50 identify the socio-economic indicators used in this analysis. Footnotes to this table indicate previous studies that suggested some of these hypotheses.

For each factor the data used were aggregated at the state level. If comparable data were not available for at least 49 states and the District of Columbia, the factor was dropped from the analysis. For example, "new hire rates in manufacturing" was eliminated because it was available for only 38 states. Some other factors were dropped because we could find no data bases that adequately described them. For example, we could not obtain data by state on "average number of dependents in WIN registrant household," "average amount of time since last full-time employment for

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*Exogenous factors are those environmental conditions or external constraints which program administrators cannot control. They are the "givens" under which programs must operate.

Table 50

Socio-Economic Factors Hypothesized to Affect Performance of WIN Programs

	Rationale or Hypothesis	Source of Data	Years data collected
I. General Economic and Labor Market Factors			
Labor force participation rates -Total -By sex -By race	-High labor force participation indicates a strong demand for labor. In such an area, WIN registrants are more likely to be placed into jobs. -Participation rates reflect social norms in the community, the state, and the region.	Geographic Profile of Employment and Unemployment, BLS; Press Releases from BLS	1976 1975 1974
Rate of growth in non-agricultural employment	-Growth means an increase in jobs and demand for labor. Increased demand leads to a lowering of job entry qualifications, more OJT opportunities, and probably increased job entries for WIN.	Employment and Earnings, States and Areas, 1939-1974; Employment and Earnings, monthly for 1976 and 1977	1976 1975 1974 1973
Proportion of non-agricultural employment unionized	-A high degree of unionization means that many openings--especially at higher wages--are filled through union channels, not through the ES or WIN.	U.S. Statistical Abstract, 1976, Table 619 U.S. Statistical Abstract, 1975, Table 608	1974 1972
Population density (population per square mile)	-Greater density means a bigger pool of potential workers, a higher skilled work force and thus fewer WIN placements into high wage jobs.	U.S. Statistical Abstract, 1976, Table 10 U.S. Statistical Abstract, 1975, Table 11 U.S. Statistical Abstract, 1974, Table 11	1975 1974 1973

Table 50

Socio-Economic Factors Hypothesized to Affect Performance of WIN Programs (continued)

	Rationale or Hypothesis	Source of Data	Years data collected
Proportion of state population in large metropolitan areas: (1) places over 250,000 (2) places between 100,000 and 250,000 population	-The labor exchange function will be more difficult for WIN in very large metro areas (over 250,000 population), where there will be many other labor market intermediaries. -The ES and WIN are probably more successful in penetrating the labor market in communities with population between 100,000 and 250,000.	Current Population Reports, "Population Estimates," Series P-26, Numbers 75	1975 1974 1973
Prevailing wage data[1] (1) Average hourly gross earnings of production workers on manufacturing payrolls (2) Average weekly gross earnings of production workers on manufacturing payrolls	-Areas with high average earnings also have a high degree of unionization. The industrial make-up will be more skilled, and the job exchange function for WIN will be more difficult. The job entries that are made will probably be at a low wage.	Employment and Earnings, monthly for 1976 and 1977; BLS Handbook, 1975	1976 1975 1974
Unemployment rate (1) Total number of persons unemployed in a state, as a proportion of total number unemployed nationally (2) Official unemployment rate for each state	-High unemployment rates reflect a decreased demand for labor and increased competition for job openings. Job entry qualifications will be higher, and placements for WIN will be more difficult.	Employment and Training Report of the President, 1976; data from BLS press relase	1976 1975 1974

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[1] To insure current and comparable data, average wage in manufacturing was used rather than average wage in employment covered by unemployment compensation. The most current figures available for UI-covered employment are for CY 1974, while manufacturing wages were available for CY 1976.

Table 50

Socio-Economic Factors Hypothesized to Affect Performance of WIN Programs (continued)

	Rationale or Hypothesis	Source of Data	Years data collected
Average employer size (employer units reporting under state unemployment insurance programs)	-States with small average employer size probably have little unionization and fairly low prevailing wage. Thus more entry level positions may be available to WIN at wages close to average for the area.	Employment and Wages, Quarterly	1974 1973
Proportion of non-agricultural employment in low-wage industries[2]	-The higher the proportion of employment in low wage industries the more nearly competitive WIN registrants will be with the non-WIN job seekers. WIN registrants will get only entry positions, or perhaps return to jobs similar to those held in the past, rather than high paying jobs. -75% of female welfare recipients who work and non-welfare poor are employed in personal services or wholesale and retail trade. Over 50% of males (welfare and non-welfare poor) are employed in low-wage non-durable goods manufacturing. (Miller and Ferman, Welfare Careers and Low-Wage Employment, 1972.)	Employment and Earnings, States and Areas, 1939-1974	1974 1973 1972

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[2] This factor's possible relationship to WIN performance was also suggested in Hausman, 1969; Miller and Ferman, 1972; Friedman and Hausman, 1972; and Thompson and Miles, 1972.

Table 50

Socio-Economic Factors Hypothesized to Affect Performance of WIN Programs (continued)

	Rationale or Hypothesis	Source of Data	Years data collected
Proportion of population at or below poverty[3] (1) Below 1975 official poverty level; below 125% of official poverty level; below 50% of 4-person family median income. (2) Below 1975 "alternate" poverty level; below 125% of alternate poverty level; below 50% of 4-person family median income. (all measures included totals as well as number of persons in families headed by females)	-The higher the proportion of poor, the greater the competition for jobs in low-skilled, entry level positions. -If more people are at or below poverty, AFDC caseloads and numbers of WIN registrants will be greater. -As the size of the WIN program grows, the more difficult it may become to place registrants. -A bigger AFDC caseload means high state social services costs and perhaps less funds for supportive services and training in WIN.	Survey of Income and Education, U.S. Bureau of the Census and Department of HEW	1976
II. Registrant Demographic Factors			
Average level of educational attainment of WIN registrants[4]	-The higher the registrant's level of educational attainment, the more "job ready" he or she is. -Those registrants with less than a high school equivalency may require more costly services--counseling, training, etc.--and will qualify only for lower paying jobs.	ESARS, Table 30	FY 1977 FY 1976 and TQ FY 1975

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[3] This factor's possible relationship to WIN performance was also suggested in Wiseman, 1976.

[4] This factor's possible relationship to WIN performance was also suggested in Levinson, 1970; Feldman, 1972; Thompson and Miles, 1972; Schiller, 1972; and Miller and Ferman, 1972.

Table 50

Socio-Economic Factors Hypothesized to Affect Performance of WIN Programs (continued)

	Rationale or Hypothesis	Source of Data	Years data collected
Percentage of total number of WIN registrants that are male[5]	-Males continue to receive higher paying jobs in the employment market than do women. -State WIN programs with a high proportion of male registrants (presumably those states with AFDC-U programs) will make more placements in jobs with relatively higher job entry wage rates.	ESARS, Table 30	FY 1977 FY 1976 and TQ FY 1975
Percentage of total number of WIN registrants that are non-white[5]	-Racial inequality still exists in the employment market. -State WIN programs with a high proportion of minority registrants will have more difficulty making quality job placements (i.e., high wage jobs with long retention).	ESARS, Table 30	FY 1977 FY 1976 and TQ FY 1975
III. **Program Factors**			
Entry level salary of employment counselors and interviewers, relative to prevailing wage in the state	-In states where staff salaries are competitive with private industry, WIN is more likely to have better qualified personnel, which should contribute to higher performance.	State Salary Surveys, U.S. Civil Service Commission	1976 1975
Number of WIN staff ("positions paid") per 100 registrants	-A high ratio of staff to registrants means more time spent on each registrant. -WIN programs with low caseloads per staff may spend more time working toward placements in quality jobs.	Cost Accounting System, Report 96	FY 1978 FY 1977 and TQ

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[5] The possible relationship of these factors to WIN performance was also suggested in Wiseman, 1976; Levinson, 1970; Feldman, 1972; Thompson and Miles, 1972; Schiller, 1972; and Miller and Ferman, 1972.

WIN registrants," or "average amount of time WIN registrants currently on welfare."* Final variables are listed in Table 51.

Data on the four performance measures were obtained from tables in the WIN Allocation Formula used to compute discretionary dollar allocations to states for FY 1976, 1977, and 1978. Those program data covered calendar years (CY) 1974, 1975, and 1976, respectively. Therefore, demographic and labor market data were collected for those three years. If information was not available for those three years, data for the closest year were used. The information on registrant demographics was taken from the Employment Service Automated Reporting System (ESARS) reports available in the WIN National Office. Data on WIN staffing levels were acquired from the Cost Accounting System (CAS).

Hypothesis Testing

The hypotheses given in Table 50 assert that some consistent pattern may exist between environmental variables and performance indicators across state WIN programs. To test these hypotheses, we first examined the relationship between individual environmental variables and individual performance measures for each of the three time periods (CY 1974, CY 1975, CY 1976). This simply compared the values of two variables for each state program--one an environmental variable and the other a performance measure. It showed whether, across all state programs, there was a discernible and significant** relationship between any two variables.

Although individual environmental factors were correlated with each performance measure as a first test of the hypotheses, we assumed that in the real world groups of factors would affect the measures together. That is, a number of factors would simultaneously affect each performance measure and each other in a complex interaction.

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*A relationship between these factors and WIN performance was hypothesized in Pacific/Camil/Ketron, 1976, and in Wiseman, 1976.

**"Significance" was defined in terms of a 90 percent confidence level. That is, we would believe the association between an environmental variable and a performance measure shown by the correlation analysis if there was a 10 percent chance or less that the association was, in fact, zero.

Table 51

State Level Variables*

Variable Number	Complete Variable Definition
01	Number of WIN job entries per sponsor staff for twelve months
02	Average monthly welfare grant reductions, as a proportion of average monthly grant costs for WIN registrants
03	Average retention rate of WIN job entries
04	Average WIN job entry hourly wage rate, as a proportion of prevailing hourly wage
05	Labor force participation rate
06	Female labor force participation rate
07	Non-white labor force participation rate
08	Percent of non-agricultural employment unionized
09	Population density (per square mile)
10	Percent of population in metropolitan areas with population between 100,000 and 250,000
11	Percent of population in metropolitan areas with population over 250,000
12	Average hourly earnings of production workers on manufacturing payrolls
13	Average weekly earnings of production workers on manufacturing payrolls

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[*] Labor market and demographic data were collected for three years (CY 1974, 1975 and 1976). Program data were collected for FY 1976, 1977 and 1978.

Table 51 (continued)

Variable Number	Complete Variable Definition
14	Number of individuals unemployed, as a percentage of total number unemployed in the nation
15	Official unemployment rate
16	Percent of population below official poverty level
17	Percent of population below 125% of official poverty level
18	Percent of population below 50% of official median family income
19	Percent of persons in female-headed families below official poverty level
20	Percent of persons in female-headed families below 25% of official poverty level
21	Percent of persons in female-headed families below 50% of official median family income
22	Percent of population below alternate poverty level
23	Percent of population below 125% of alternate poverty level
24	Percent of population below 50% of alternate median family income
25	Percent of persons in female-headed families below alternate poverty level
26	Percent of persons in female-headed families below 125% of alternate poverty level
27	Percent of persons in female-headed families below 50% of alternate median income

Table 51 (continued)

Variable Number	Complete Variable Definition
28	Average size of employer units reporting under state unemployment insurance programs
29	Percentage change in total number of employees on non-agricultural payrolls from one year to the next
30	Percent of non-agricultural employment in lowwage industries
31	Number of WIN Sponsor staff per 100 WIN registrants
32	Percent of WIN registrants who are males
33	Percent of WIN registrants who are minority
34	Percent of WIN registrants with 12 or more years of school
35	Entry level weekly salary of "Employment Security Interviewer", as a proportion of prevailing wage
36	Entry level weekly salary of "Employment Counselor", as a proportion of prevailing wage

Hence, we next tested our hypotheses using step-wise multiple regression. Each of the four performance measures was regressed against several environmental factors to discover which group of factors best "explained" variation in this measure among state WIN programs. Only environmental factors which had first passed the correlation test mentioned above were included in this analysis. The question was which of the factors would continue to show a significant association with each performance measure when combined with other factors.*

In certain respects, this analysis was derived from similar research on other employment and training programs. Previous studies had shown connections between the placement rates of state employment security agencies (SESA's) or local employment service (ES) offices and their labor market conditions or client demographics.** However, this was the first time such an approach had been applied to WIN.

This WIN analysis differed from the employment service studies in several respects. The ES studies had used a single performance measure--individuals placed per staff year. Here, four indicators were used and a composite measure derived. Most of the ES studies had been based on data for a single year only.*** Here three years were examined. Also, our analysis used more exacting statistical tests than were applied in the ES studies.*

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*Conventional F-tests were used to judge the significance of the overall equations and regression coefficients for the individual variables.

**For a detailed discussion of similar research conducted by E. F. Shelley and Company, the Center for Applied Manpower Research, Dr. Fred Englander, and Westat, Inc., see Chadwin _et al_., May 1977.

***The exception is the Shelley study, _Development of Performance Standards for ES_, which considered two years' data.

The following subsections describe our correlation and regression analysis in detail.

Bivariate Correlation Analysis. Correlation analysis was performed to test the strength and direction of the relationships among all the exogenous variables and all four performance measures. Scatter diagram printouts were also generated to indicate the form of these relationships, that is, whether they were totally unrelated, linear or curvilinear.** Data were analyzed separately for three twelve-month time periods. These time periods were (1) CY 1974, (2) CY 1975, and (3) April 1976 through March 1977. They corresponded to the three reporting periods used for WIN allocations for FY 1976, FY 1977, and FY 1978, respectively. The correlation between individual environmental variables and individual performance measures was examined for each of the three time periods, based on data for 51 state programs.* The purpose of this analysis was to identify which environmental variables were significantly correlated (at the .1 level or greater) with each of the performance measures. This was used in initial decisions on variables to be included in the multivariate regression analysis.

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*The state-level analysis discussed in this section was accomplished under tight deadlines and with limited resources. Its major purpose was to assist us in selecting high and low performing state WIN programs for field research and study. The local-level data analysis presented in Section 4 of this appendix did not have such tight time and resource constraints. Therefore, it involved more thorough univariate, bivariate and multivariate analysis and data examination and testing of the assumptions underlying the statistical analysis. State-level analysis involved initially distributional statistics and graphics on variables and examinations of scatter diagrams to detect outlying values and polynomial relationships among independent and dependent variables. In our bivariate and multivariate analyses we were sensitive to the influence of outlying values on derived regression equations (especially where outlying values were found for a number of variables describing a single state operation or its environment). Our analysis also addressed the existence of excessive multicollinearity and heteroskedasticity. State-level data will undergo additional analysis in our study of alternative WIN allocation procedures. These would include further analysis of residuals and other statistical procedures besides multiple regression.

**Some relationships did exhibit a somewhat polynomial form in scatter diagram displays. However, these curvilinear relationships were not statistically significant with the numbers of observations (51) we used. We hypothesize that for n's greater than 51 (e.g., randomly selected local WIN operations) some of these relationships might in fact prove curvilinear.

For the sake of simplicity, we had hoped that the same exogenous factors would prove significant explainers of each of the four performance measures. The results of the correlation analysis revealed a much more complex picture. Each of the four performance measures was associated with a different group of environmental factors.

Table 2 (Chapter 2) showed those factors that proved to be significantly correlated with each performance indicator at the state level and whether the relationship was positive (+) or negative (-). As that table shows, each of the four measures was associated with different environmental factors. This had implications for our multivariate analysis that is discussed below. Only one factor--prevailing wage--appeared related to all the measures, and this provided insight into the complexity involved. Prevailing wage was positively related to the number of job entries per staff and to welfare grant reductions. But it was negatively related to retention rate and WIN job entry wage rate.**

Too much importance should not be attached to the relative strengths of correlation coefficients presented. They measure the associations between one environmental variable and a performance measure in the absence of other environmental factors. When other explanatory factors are added, as in multiple regression analysis, some of the performance variation attributable to a factor could instead be associated more strongly with others.

In short, by itself correlation analysis can tend to exaggerate the importance of individual variables. Analysis associating more than one factor with a performance measure is more realistic. For this reason, we viewed the correlation analysis primarily as a test to identify important environmental factors for the multivariate analysis discussed next and to identify interrelationships among independent variables that would have to be considered in our multiple regressions.

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*Correlation matrices for each of the years studied showing relationships among all the independent and dependent variables are presented in Nightingale and Mitchell (1978).

**In fact the correlation with WIN job entry wage is spurious since the independent variable, prevailing wage, appears in the denominator of the dependent variable (WIN job entry wage rate). It does not, therefore, appear on Table 2 . For further discussion of the WIN performance measures (quality vs. quantity), see Mitchell et al. (1977b).

Multivariate Analysis. While bi-variate correlation analysis is useful as a preliminary step in identifying the type and direction of relationships between two variables, it does not provide an understanding of the multiple environmental influences on WIN performance found in real world operations. The values of one environmental variable might be confounded with those of other environmental variables. Therefore, as stated in Section 1 of this appendix, we next used multiple regression analysis to estimate the combined effect of socio-economic environmental factors on measures of short-run program performance. These performance variables were regressed on sets of independent variables hypothesized to influence the effectiveness of state WIN programs. The regression took the form presented on page 270.

For each of three years multiple regression was used to analyze the relationship between performance and environment. Since these WIN performance indicators did not have equal policy weights according to national WIN officials and our analysis of the discretionary portion of the allocation formula, we conducted separate regression analyses for each of the four measures. Each performance measure was regressed against several environmental factors to discover the combination of factors that best explained variation in performance at the state level for each measure and each year. We used a stepwise deletion procedure to eliminate sequentially those independent variables that were not statistically significant at the .05 level or less.*

The resulting regression equations served two closely related purposes. Each equation estimated the manner and extent to which a measure was affected by environmental influences beyond the control of WIN program staff. These equations also provided us with a way of "controlling for" environmental influences on performance differentials and in so doing identifying and selecting for study state WIN programs that were significantly high or low performers given their environment. Regressions provided us with a measure (the coefficient of determination--R^2) of the cumulative capability of a set of environmental variables best able to predict variation in retention rates, job entry wage rates, job entries per staff and welfare savings.

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*A 95 percent confidence level, as measured by two-tail F-tests, was required for individual factors to have been included in final equations. Table 50 showed that we had specific expectations about the direction of relationship (positive or negative) that would show up between many of our environmental factors and WIN performance variables. These expectations would justify using a less exacting form of F-test than if we could not posit the direction of influence (in technical terms, a "one-tail" rather than "two-tail" test). However, we required that a variable pass the more exacting form of test used when there is no expectation of direction (the "two-tail" test) for at least one of the three years under examination.

The results of this analysis were presented in Table 3 (Chapter 2). The environmental factors shown best explained variation in performance at the state level for each measure and each year. For example, two variables taken together--proportion of employment in low-wage industries and proportion of WIN registrants that are male--explained 32 percent and 23.4 percent of the variation (adjusted R^2) in the average WIN job entry wage rate in FY 1977 and FY 1978, respectively.

Several important results are readily apparent. First, the same sets of factors showed up as the most powerful explainers of the same performance measures each year, with only two exceptions.* The linkages between performance and environmental factors are, for the most part, consistent over time. Second, the environmental factors that have the greatest influence are not the same for each of the four performance measures. Third, certain performance indicators seem most influenced by labor market conditions, while others are more sensitive to registrant characteristics. Of particular interest is the fact that the number of job entries per staff and job retention rate appear most heavily influenced by registrant characteristics, namely, the proportion of registrants who were high school graduates or who were non-white. Fourth, environmental factors explain up to 44 percent of the performance variation among state programs.

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*The recession of 1974 evidently seriously affected the number of job entries per WIN staff for FY 1976 allocations. None of the associations which were strong in FY 1977 and FY 1978 held up for FY 1976. Second, the FY 1978 allocation formula changed the method of calculating retention rate, and this appears to have brought different factors into prominence as explainers of retention rate for FY 1978.

Identifying High and Low Performing State Programs

The main objective of our research effort was to examine the organizational and institutional differences in high and low performing programs. Thus, we wanted to select a group of states in those two performance categories. The above quantitative analysis not only estimated the extent to which each performance measure was affected at the state level by socio-economic environment. It also provided a way to control for important socio-economic differences in assessing state performance.

The final regression equation for each measure was used to estimate the expected level of performance for each state, given the economic and social conditions in that state. Each regression equation posited a linear relationship between one of the four performance measures and two or three environmental factors in each of the years examined. These equations showed the expected relationship on the basis of data from *all* the states. What any *one* state's expected performance on this measure would have been in a year was estimated by "inserting" that state's data into the equation. The equation then estimated how this state would have done on this performance measure in this year if the relationships between the environmental factors and performance had been the same in this state as they had been, on average, nationwide. The estimated performance level was termed the state's "expected" performance.

Of course, the state's *actual* performance on the measure during that year was known and differed from the estimate. The direction and size of the difference were used as criteria for selecting state programs for study. We hypothesized that these differences were due partly to the influence of program variables, such as organizational structure and location, the way in which program resources were managed and the nature of WIN sponsor and SAU linkages.*

States that had performed significantly better than would have been expected given their environments were assumed to have done so because their WIN programs had been well organized and run. States which had performed significantly below what had been expected were assumed to be less effectively organized and operated. The point of field research was to study the programs in these states and discover the structural and behavioral reasons why performance exceeded or fell short of expectations.

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*Some of this "unexplained" variation might have been due also to environmental factors that were imperfectly measured or for which data were unavailable. Some variation could also have been due to environmental factors that we had failed to identify as important during our hypothesis development phase. In addition, measurement and sampling errors were presumably contributing to the proportion of performance variation that had not been associated with environmental differences among state programs.

In picking states for study, however, caution was needed. The estimates of expected performance generated by the regession equations were only approximations, subject to the limitations of our assumptions and statistical procedures. The equations were based on a limited number of observations (51 WIN programs) and the data used were subject to error. We could only state with a relatively high level of confidence that the "expected" performance of a given state fell within a certain range of values provided by our analysis. Only states whose actual performance was outside this range could be said to deviate significantly from expected performance. States whose actual performance on a particular measure exceeded the estimate by more than this range we defined as "high performers," while those whose actual performance fell short of expected by more than the range we termed "low performers."*

We found that no single state was a high or low performer on all four performance measures. In fact, very few proved to be either high or low on more than one measure. Many of the states that performed better than expected on job entries per staff were lower than expected on retention rate and job entry wage--and vice versa.**

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*The range was defined using the standard error of the estimate. A regression equation defines a linear relationship between some set of independent variables and the dependent variable. Because of statistical uncertainty, the actual regression line may differ somewhat from that defined by the equation. The standard error of the estimate defines an error band around the line within which the "real" line can be assured to lie, at a certain level of confidence.

In our analysis, we required that a state's performance results exceed its estimated performance by at least one standard error of the estimate before that state was defined as a "high performer." Similarly, only a state whose actual performance was at least one standard error of the estimate less than its expected level was defined as a "low performer."

**See Nightingale and Mitchell (1978) for tables showing the relative effectiveness of state WIN programs on the four performance indicators for FY's 1976, 1977 and 1978.

These results were not surprising. The four measures--retention rate, job entry wage rate, number of job entries and welfare grant reductions--were to varying degrees non-complementary. The number of job entries was largely a measure of quantity. Retention rates and job entry wage rates described the quality of the jobs in which WIN registrants were placed. Welfare grant reductions measured welfare savings and resulted from both the number and quality of placements.

Therefore, we hypothesized that the quantity and quality placement of objectives of WIN might work against each other. Increasing the number of WIN registrants placed could lead to emphasizing "quick and easy" job entries--relatively low paid jobs in secondary labor markets with high turnover rates and low job security. This ran counter to a quality-of-placement goal. Conversely, emphasizing quality--making the placements that are likely to last 30 or more days and at relatively high wage rates--required a more labor-intensive placement effort. This extra effort meant fewer total job entries, contrary to the quantity-of-placement goal. With the qualitative and quantitative objectives substantially in opposition, it was not surprising that no state programs were high performers on all four measures.

However, these results complicated our task of identifying sets of high and low performing states for field work and study. Which measure--or combination of measures--should be used to separate high from low performers? As noted earlier, the question was resolved in close consultation with officials of the WIN National Office. It was agreed that we should weight the four measures according to their relative importance in determining discretionary allocations to states, as was revealed in our analysis of the WIN Allocation Formula.* We therefore defined the overall effectiveness of a WIN operation as follows:

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*One of the options rejected by National Office administrators involved weighting all four indicators equally. Such a strategy of equal policy weightings would have permitted us to have statistically combined these four performance measures into a single unmeasured, scalar performance indicator. This option was foreclosed by national officials and staff. In addition to policy weighting complications, program staff at all levels would have had greater difficulty relating to some "abstract" scalar score of performance rather than the much more familiar job entry-related measures.

$$\text{Overall Effectiveness} = (A)\left(\text{Retention rate}\right) + (B)\left(\text{Job entries per staff}\right) + (C)\left(\text{Standardized job entry wage}\right) + (D)\left(\text{Standardized welfare savings}\right)$$

The constants A, B, C and D are the approximate policy weights assigned to each indicator as derived from our analysis of the WIN allocation formula and from consultation with the national WIN officials.*

A = 15.0
B = 7.5
C = 8.3
D = 7.5

The ratio of actual performance (based on national program reporting data) to expected performance (based on the regression equation) described to what extent programs exceeded or fell below estimated levels. To obtain a weighted performance score for each state, these ratios were then multiplied by the policy weights. Thus, the overall performance index, based on the weighted ratios would be:

$$\text{Overall Effectiveness Index} = (A)\left(\frac{\text{Actual retention}}{\text{Expected retention}}\right) + (B)\left(\frac{\text{Actual job entries per staff}}{\text{Expected job entries per staff}}\right) + (C)\left(\frac{\text{Actual job entry wage}}{\text{Expected job entry wage}}\right) + (D)\left(\frac{\text{Actual welfare savings}}{\text{Expected welfare savings}}\right)$$

The weighted overall effectiveness index was standardized by multiplying by 100, then dividing by the total of the four weights (38.3). The result was a composite standardized performance measure for each state. This process was repeated for all three years.

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*See Table 1 (Chapter 2) for the policy weights as derived by simulation analyses of the WIN Allocation Formula. This part of the formula is, in effect, a statement of current national performance priorities.

The composite scores for all states were then ranked for each of the three years. In a given year, states which were in the top 25 percent of the range of all scores were deemed to be "high performers" in terms of the composite scores, while states in the bottom 25 percent were deemed to be "low performers."*

The final selection of sample states considered the rankings for all three years. States were identified which were consistently high or low performers. Others could be seen to be rising into the high performance range, or dropping into the low performance range, although they were not in these ranges all three years. High and low performers defined in these terms provided the pool of states from which the sample was drawn.

The quantitative analysis was the main, but not the only, basis for selecting the sample states. We wanted our sample to include states that were clearly high and low performers in the above sense, since connections between performance and institutional structure and behavior were more likely to be perceptible in programs toward these extremes. In addition, two other criteria entered in, both working to ensure that the sample would be broadly representative of WIN programs nationwide.

One was that pairs of high and low performing states should be drawn, if possible, from the same regions. There were regional and cultural differences which we hypothesized might affect WIN performance and which were not captured fully in our analysis of economic and demographic influences. One example was variation in attitudes toward welfare from region to region. The "clustering" of high and low performers regionally gave us a rough way to control for these influences, since performance differences among states in the same region would be less likely to be due to geographic or cultural differences.

The second consideration was that the sample states should exhibit a wide range of organizational arrangements in their WIN programs. Identification of associations between institutional characteristics and performance was more probable if states at the extremes of performance were examined. Similarly, connections between structure and performance would be clearer if the sample contained a lot of variation in institutional features. Hence, we sought states that were not only high or low performers but representative of nationwide differences in program size, organizational structure, "sponsoring" agency, degree of collocation and integration, and service delivery approach (team, caseload, etc.). Information on structural differences was gleaned from three sources--our mail survey of all state WIN sponsor coordinators, a telephone survey of all WIN regional coordinators, and our National Office interviews.

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*The method used for indexing and selecting is only one of several possible ways of presenting this data. The standardization could be scalar, to better measure the "distance" from one state's score to another. Similarly, we originally planned to define high performers as those states which were more than one standard error unit above expected, but since there were two or three programs way above the range, thus pushing the standard error up, we decided to use the 25 percent method described above.

Our final sample of ten states substantially met all these criteria. All the states were high or low performers as defined above. The sample was also geographically clustered and representative. Eight of the states were matched in pairs of high and low performers covering four different regions--the Industrial East, the Industrial Midwest, the South, and the West.*

The states were also diverse and representative in terms of size and structural variation. Three were "megastates" with big WIN programs, while four were small states, several with populations thinly dispersed over rural areas. Wide ranges of organizational arrangements, degrees of collocation or integration, and service delivery approach were covered.

Our state coordinator survey showed that 41 of the 52 WIN programs were sponsored by state departments of labor or employment security agencies and eight by umbrella (often "human resources") agencies. Two were housed in governors' manpower offices that had state-level CETA responsibilities, and one delivered services through the state welfare department. Reflecting this variety, our sample included three umbrella agencies, and the welfare-run program as well as five SESA-operated programs. In addition, provision had been made to examine the only two sites in the nation where WIN had been operated by local CETA prime sponsors.

Definitional differences clouded the accuracy of data in our survey on collocation and integration of ES-WIN and SAU staff. However, responses indicated that, despite federal encouragement, only seven of 52 programs were collocated at the state central office level. Two of these were included in our sample.

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*To encourage respondents to speak freely, names of the states studied were not publicly disclosed.

Only about 15 states indicated that any of their local units were both collocated and integrated. Most of these indicated that fewer than 40 percent of their units were fully combined. However, six reported that between 80 percent and 100 percent of their local units were collocated and integrated. Our sample included two states that reported many unified local operations and several others that were extensively collocated but not fully integrated.

Despite federal directives to drop the "team" approach to service delivery, survey responses indicated that a substantial minority of programs still relied heavily on it. Twelve states indicated that half or more of the local units were structured this way. Our sample included three of these, as well as states that appeared to use various mixes of the functional or caseload approaches.

Our analysis of WIN performance indicators provided a standard by which to compare state WIN programs. The analysis reported in this section showed the association between variations in these performance levels among states and differences in their socio-economic environments. The next section addresses such relationships at a more disaggregated level--influences of local environmental factors on the performance of 214 local WIN units in our study sample of ten states.

4. Effect of Socio-Economic Environment on Local WIN Productivity

Analysis similar to that just described was conducted with local level data. The purpose was (1) to identify high and low performing local WIN units within our study states and (2) to verify and further explore the relationships between environment and program performance indicated by the state level analysis. This section discusses the local level statistical analysis.

Local Data Collection

Performance, demographic and economic information was obtained for all 214 local WIN units in the ten study states. Within each state, we collected data on the same variables for comparable time periods (CY 1977 or FY 1978 for most variables). The local data base therefore contained performance and exogenous variables for all local units in the ten states and was similar to that used in the state level analysis described in the preceding section.

The local data base did differ from the earlier data, however, in two important ways. First, the unit of analysis was 214 local programs rather than 51 state programs. The increased number of observations makes statistical analysis and results more reliable. Second, state level data were obtained from national labor market information sources and aggregated reporting data. The local labor maket data were only available through the states, usually the SESA research and statistics units. The program information was taken directly from local project tables in ESARS, CAS and SAU reports, available through the state WIN sponsor and SAU offices or other state agencies. Table 52 lists the socio-economic and program variables that were included in the local level statistical analysis.

This local data base of 214 units was used to conduct extensive statistical analysis, with four main objectives:

- Identify exogenous factors associated at the local level with each of the four program performance measures.
- Determine overall weighted effectiveness indices for 214 local units.
- Categorize by performance level the 43 local programs that were visited and intensively examined.
- Develop a preliminary path analysis model, based on the results of the detailed statistical analysis, describing relationships among socio-economic, organizational and performance variables in WIN.

Relationships between Socio-economic Factors and Local WIN Performance

The initial step in identifying associations between exogenous variables and local WIN performance was correlation analysis. Table 53 presents the correlations between socio-economic variables and each of the four performance measures. It should be noted here that the correlations and all subsequent statistics were based on 188 of the 214 observations. Data from one state (26 units) had to be dropped from analysis, since careful examination of validity tests on correlation and later regression statistics repeatedly identified the local observations in this state as "outliers" in the analysis. The data from that state were not comparable to data from the other nine states, for two reasons:

(1) Industrial confidentiality in the employment and wage reports resulted in incomplete or unavailable wage, employment and industrial profile data for several counties. This affected two independent variables (prevailing wage and lowwage employment) and one performance measure (job entry wage/prevailing wage).

Table 52

Local Level Variables

Variable Number	Variable Definition
L01	Average employer size
L02	Proportion of non-agricultural employment in low-wage industries
L03	Average prevailing hourly wage
L04	Population density
L05	Labor force participation rate
L06	Unemployment rate
L07	Number of sponsor staff for 100 WIN registrants
L08	Proportion of WIN registrants that are minority
L09	Proportion of WIN registrants that are male
L10	Proportion of WIN registrants with 12 or more years of schooling
L11	Percent average annual growth in non-agricultural employment
L12	Percent of families below low-income level 1970
L13	Average hourly WIN job entry wage
L14	Number of SAU staff positions per 100 WIN registrants
L15	Number of certifications made per SAU staff
L16	Proportion of WIN registrants aged 45 or more
L17	Total numnber of WIN sponsor staff
L18	Average WIN job entry hourly wage as a proportion of prevailing hourly wage
L19	Number of job entries per WIN sponsor staff
L20	WIN job entry retention rate
L21	Average monthly welfare grant reductions as a proportion of average monthly welfare grant costs

Table 53

Associations between Local WIN Performance and Socio-economic Factors (Correlation Coefficients)

Independent Factor	Performance Measures			
	Job entries Per Sponsor Staff	Welfare Grant Reductions	Retention Rate	Job Entry Wage/ Prevailing Wage
Employer Size	.261*	.194	-.036	-.546*
Low-wage Industries	-.234*	-.484*	-.088	.474*
Prevailing Wage	.385*	.505*	.150	-.753*
Population Density	-.125	-.151	-.179	-.172
Labor Force Participation Rate	.068	-.136	-.087	.018
Unemployment Rate	.123	.188	.202*	.072
Minority Registrants	-.278*	-.593*	-.194*	.062
Male Registrants	.302*	.498*	.112	-.041
High Education Registrants	.326*	.261*	.138	-.213
Non-agricul. Employment Growth	-.138	-.132	-.072	.281*
Poverty Population	-.404*	-.499*	-.073	.426*
Sponsor Staff/100 Registrants	-.354*	.227*	.144	.264*
SAU Staff/100 Registrants	-.157	.295*	.137	-.025
Number Sponsor Staff	-.241*	-.162	-.182	-.226
Older Registrants	-.246*	-.466*	-.057	.038
Job Entries Per Staff	--	.622*	.192*	-.229*
Welfare Grant Reduction	.622*	--	.430*	-.446
Retention Rate	.192	.430*	--	-.111
Job Entry Wage/Prevailing Wage	-.229*	-.446*	.111	--

[n = 188. Coefficients marked with asterisk were significant at the .01 level or better.]

(2) The state had just begun using ESARS reports for all local projects. Our research schedule coincided with the transition period from manual transaction reporting (TWX) to ESARS. Since only three months of ESARS data was available, the program information for this state was not comparable to the other nine states. This affected the registrant demographic variables, number of job entries and retention rate.

As Table 4 in Chapter 2 showed, many of the same relationships that appeared significant at the state level were also observed at the local level. That is, relationships that were observed with state level data also appeared when data on local units were examined. The significance of the characteristics of WIN clients was again obvious, particularly when looking at the number of job entries per staff and welfare savings. Offices that had high numbers of males or high school graduates in their registrant pool achieved high levels on three performance measures. Similarly, offices with high proportions of older workers or minorities had lower job entries per staff, welfare savings and retention rates.

After the correlations, multivariate analysis was conducted to identify the combination of factors that best explained variation in each measure at the local level. Two types of list-wise regressions were conducted for each performance measure. First, all the socio-economic variables were regressed against each performance measure. Then, restricted regressions were used including only those environmental factors that significantly explained variation in the performance measures.* Restricting the regression equations permitted high levels of confidence to be placed in the resulting predictions of performance levels.

During the process of identifying the equations that best explained performance variation, certain critical assumptions were tested at every step in the regression analysis. Correlation matrices and scatter diagrams were examined to identify any possible curvilinearity in associations among variables or significant interrelationships among predictor variables. In addition, since the existence of polynomial and interactive relationships among variables would have important implications for our analysis in general and for path analysis in particular, we included such terms in test regression runs. Inclusions of such terms did not improve the predictive power of our regression equations. Another critical assumption underlying the analysis is that the error components for each equation are normally distributed around a mean of zero.* The tests for normal distribution of residuals were conducted by examining the frequency distribution of residuals.

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*Significant explainers were those variables that had regression coefficients with F-ratio values greater than the critical values for a two-tail 5 percent F-distribution test for significance. A variable was not included if it was correlated above .30 with any other independent variable in the equation.

Another assumption is that the residuals have the same variance. When this assumption is violated, the residuals are heteroskedastic. Safeguards against heteroskedasticity were built into our analysis in the design phase by standardizing variables to minimize the influence of scale across observations. However, as a further precaution given that we were using cross-sectional data, tests for heteroskedasticity were conducted. These tests involved scatter diagrams of residual values of each equation against each of the independent variables used in the equation. If an association appeared between the error terms and variables, a Bartlett test was conducted to determine whether the level of heteroskedacity was significant enough to warrant data transformation, standardization or elimination.

Finally, the assumption of non-linearity of residual values was tested. Systematic associations between residuals and independent of residual values variables would indicate that the residuals are related to each other systematically through some mediary variable. Tests for linearity included scatter diagrams of residuals and independent variables and examination of bivariate correlation statistics.

All of these assumptions were tested for each of the final regression equations. The best predictive equations for each of the four performance measures appeared in Table 5 (Chapter 2).

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*This assumption ensures the validity of tests of hypotheses (e.g., F-tests) for small samples. Since our sample was relatively large (125 to 241 observations), this assumption is not that critical, and the central limit theorem establishes the approximate distribution of our sample statistics. Also the assumption of a zero mean was necessarily met since the constant term in a linear regression equation always takes a value that ensures that the mean of the error terms is zero.

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The results in Table 5 show that the predictive power (adjusted R^2) is higher at the local level than had been found at the state level (Table 3 in Chapter 2), with the exception of retention rate. Further validity and reliability tests of the data revealed the severity of the retention rate reporting problem which was mentioned earlier in Chapter 2. The problem was traced and identified as being inconsistent reporting (or correction) of the items in ESARS used to compute retention rate. This problem had not been as obvious in the state level analysis, since the data was more aggregated, thus somewhat canceling out local reporting inconsistencies.

This was a very critical finding and required two major modifications in the next steps in our analysis. First, two sets of composite local performance indices were developed, one including retention rate and one excluding it, in order to compare the rankings. Second, alternative path diagrams were tested, one excluding retention rate since its reliability was tenuous. These two modifications are discussed in the following sections on local performance indices and preliminary path models.

The local regression results (Table 5) show that labor market and demographic conditions explained 52.1 percent of the variation in standardized job entry wage, 30.4 percent of the variation in job entries per staff, and 42.9 percent of standardized welfare grant reductions. Furthermore, there was substantial overlap in the explanatory variables for the three performance measures. In fact, there were only seven different independent variables in the three final equations, most of those appearing in at least two of the equations. This was important when developing later path models which were based on the relationships of independent and dependent factors.

It is also significant to note that some independent measures were positively influencing one performance measure while negatively influencing another. Employer size, for example, was a positive factor in the equation for number of job entries per staff and a negative factor for welfare grant reductions. Proportion of population below poverty negatively affected job entries per staff and welfare savings, but positively influenced standardized job entry wage. This further emphasizes that any given local office could have some positive and some negative environmental conditions. While some aspect of their labor market may make their job difficult, another aspect could be working in their favor. By entering each office's local socio-economic data into the regression equation these interacting factors are taken into account, thus controlling for the local environment.

Performance Ranking of Local Programs in Ten States

The regression equations in Table 5 (Chapter 2) were used to develop standardized composite performance scores for the 188 local WIN programs in nine states. The procedure was basically the same as described earlier in the development of state performance scores. These scores were, again, based on the ratio of actual performance to estimated expected performance and weighted by the policy factors.

High performing local units were identified as those which scored in the top 25 percent range of scores from all the offices in one or both of the rankings.* The 43 local programs we visited were then categorized according to their performance in these rankings of 188 offices. The four programs in the state that was dropped from analysis were categorized according to their actual performance levels and to their ranking within the state, since within state the data and analyses were comparable. These classifications were then used in the qualitative analysis reported in Part IV of this report. Our sample of 43 local units were categorized as follows:

10 high performers (in top 25 percent of range of 188 scores)
18 average performers
15 low performers (in bottom 25 percent of range of 188 scores)

Models of Socio-economic Influences on WIN Performance

This section synthesizes our findings on socio-economic environmental factors that have an influence on individual performance measures into a general explanatory model. Using path analysis, we developed plausible causal explanations of the direct influence of socio-economic factors on intermediary performance measures and, in turn, their direct effect on welfare savings. Environmental and performance data for the local WIN units in our study states were used in this analysis. The findings permitted us to structure the relationships among environmental and performance variables.

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*As already mentioned, two sets of composite scores were used at the local level, one excluding the questionable retention rate measure. The rankings of the programs, however, were similar on the two lists. The interview analysis presented in Part IV of this report suggests that high performing local offices have a balanced approach toward their program "mission" and probably perform equally well on all indicators.

Path Analysis

Path analysis has been increasingly used in the social sciences to construct and assess causal models.* Our system of relationships among environmental and WIN performance variables was susceptible to such causal model interpretations. Various models were developed and tested to see which was the most plausible and powerful explainer of relationships. We present the most effective of these models in this section.

Path analysis is a powerful tool, but its limitations should be understood. One path analysis does not permit definitive statements on causality. Our data on socio-economic and performance variables is cross-sectional, capturing circumstances in 214 local WIN units at only one point in time. However, a better test would examine cause and effect over time. In addition, path analysis is not meant to demonstrate causality. Rather, its purpose is to identify the implications of a set of causal assumptions that we impose upon a system of observed relationships.**

Hypothesized Model

We began our path analysis by first constructing a general model that showed hypothesized causal relationships among environmental and performance variables. This model is presented in Figure 19.

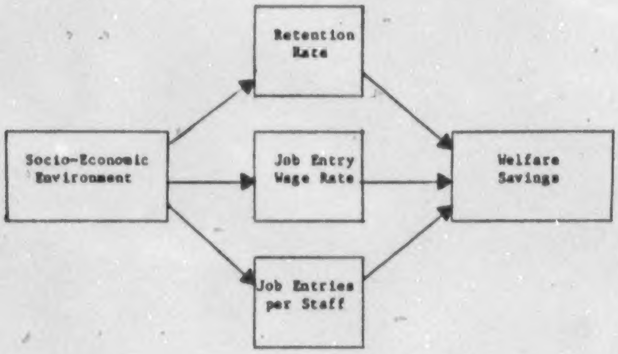

Figure 19
Hypothesized Model of Causal Relationships
Among Environmental and Performance Variables

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*A definitive presentation on the use of path analysis in social science research is found in Blalock (1971). Additional contributions in the literature include Blalock (1964, 1968a, 1968b and 1969), Boudon (1968), Duncan (1966 and 1975), and Heise (1969, 1970 and 1975).

**As Sewall Wright, in his original work on path analysis, stated, "the method of path coefficients is not intended to accomplish the impossible task of deducing causal relations from the values of the correlation coefficients [(1934), p. 193]. . . . (However) in cases in which the causal relations are uncertain, the method can be used to find the logical consequences of any particular hypothesis in regard to them [(1921), p. 557]."

In developing this model, we made a number of assumptions. First, we assumed that environmental variables might have an effect on the intermediary performance measures (retention rate, job entry wage rate and job entries per staff), but that these intermediary measures could not have an effect on environment. Likewise, the intermediary variables might have an effect on welfare savings, but welfare savings could not influence these performance measures.* These assumptions are logical and consistent with our knowlege of the WIN program.

Second, we assumed that the observed variation in the intermediary performance variables were for the most part due to variations in certain socio-economic variables. Also, it was assumed that variations in welfare savings were attributable to variations in the intermediary variables.**

Having constructed this model, we then assessed the degree of interdependence found among variables in the model. We also developed a set of regression equations to obtain information on the significance and magnitude of causal relationships suggested by the model.

Path Analytic Findings

Statistical tests were conducted on the data at different phases of our analysis to guarantee that assumptions underlying this analysis were not being violated. In addition, a number of competing causal models were considered and evaluated. The path analytic model presented in Figure 20 was judged the "best" of these alternative models. That is, it provided a better explanation of the system of relationships existing among environmental and performance variables than did other models.

The retention rate data problem identified earlier in this section led us to drop retention rate from this model. It proved not to be a significant explainer of variations in welfare savings.*** Improvements in the definition and reporting of this performance measure would likely increase its association with welfare savings. If such improvements were made, the path analytic model could be expanded to include the effect of retention rate.

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*This type of assumption is required for path analysis and is referred to in the literature as "weak causal ordering."

**This is called a "causal closure" assumption.

***Retention rate, number of job entries and job entry wage together explained 49 percent of the variation in welfare savings. Excluding retention rate, 46 percent of the variation is explained.

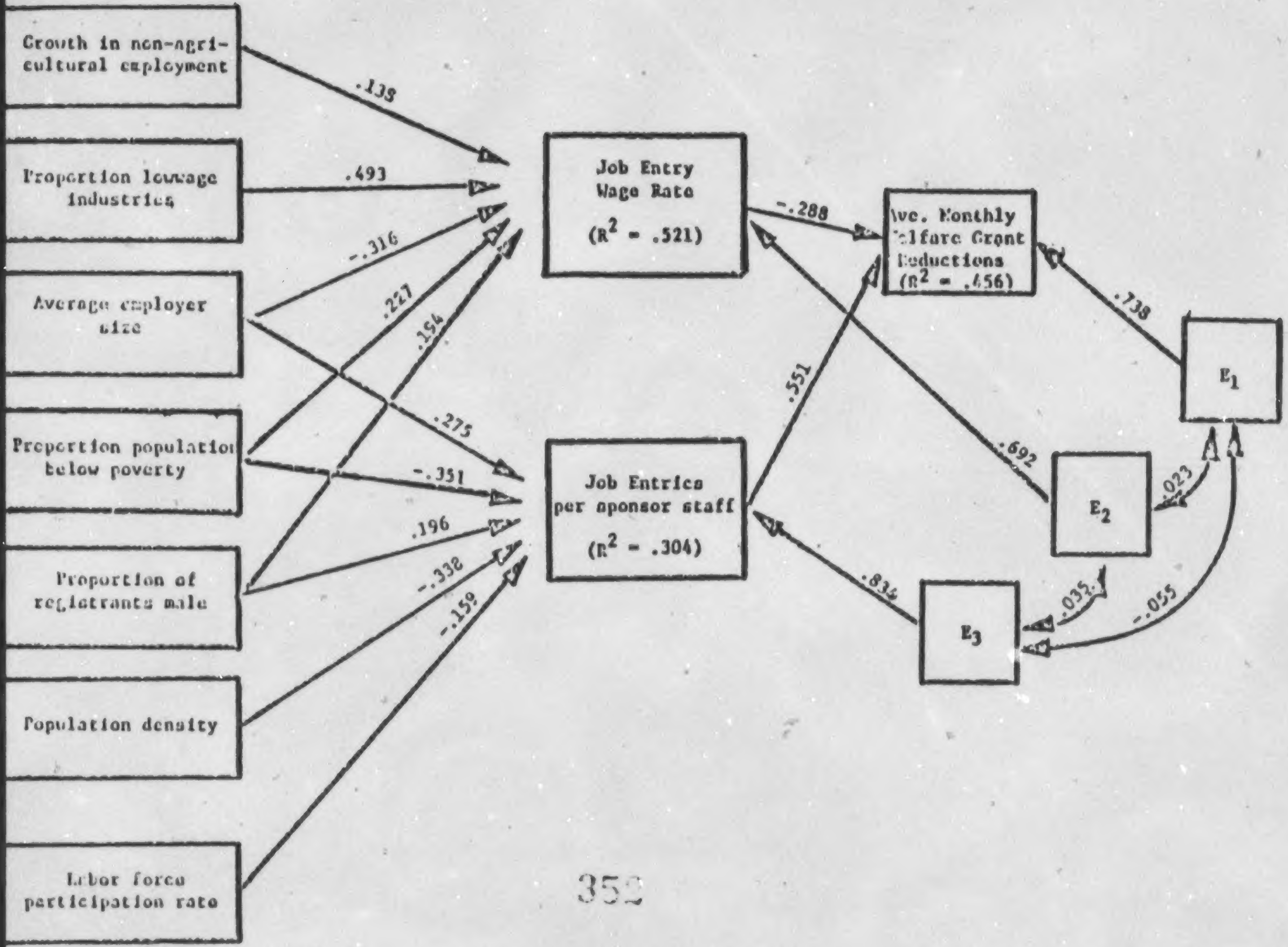
Growth in non-agricultural employment
.138
Proportion lowwage industries
.493
-.316
Average employer size
.227
.154
.275
Proportion population below poverty
-.351
.196
Proportion of registrants male
-.338
-.159
Population density
Labor force participation rate
Job Entry Wage Rate
(R^2 = .521)
-.288
Ave. Monthly Welfare Grant Reductions (R^2 = .456)
.551
.738
E_1
.692
E_2
.023
Job Entries per sponsor staff
(R^2 = .304)
.834
E_3
.035
-.055

Figure 20

Path Analytic Model of Socio-economic Impacts on WIN Performance

The numbers on the vectors or arrows in Figure 20 are path coefficients.* They indicate the relative effect independent variables have on dependent variables. For example, a change of one unit (measured by one standard deviation) in the "proportion lowwage industries" variable would cause a .493 unit change in job entry wage rate. Similarly a one unit change in "job entries per staff" would increase welfare grant reductions by .551 units. All path coefficients in the model are significant at the .01 level or greater.

The values E_1, E_2 and E_3 are the variations in performance left unexplained by their respective regression equations. That is, socioeconomic variables explain 30.4 percent (R^2) of the variation in job entries per staff. Thus, 69.6 percent of the variation on that measure among local units is left unexplained. The comparable unexplained variation for job entry wage rate was 47.9 percent. Analysis of job entries per staff and job entry wage rate on welfare savings left 54.4 percent of the variation in monthly welfare reductions unexplained. The values assigned to the curved bi-directional lines indicate that the residual values for the three measures used in the model are uncorrelated.

The negative path coefficient for the relationship between job entry wage rate and welfare savings requires clarification. The job entry wage rate measure was a standardized one, using job entry wage rates relative to local prevailing wage rates. Thus, in communities where prevailing wages were relatively low, the average WIN wage might approach or surpass the prevailing wage. But that entry wage was still low, although it approximated the area prevailing wage. Jobs with low entry wages would not generate enough additional income to cause significant reductions in welfare grants. Conversely, in communities with relatively high prevailing wage rates, it would be more unlikely for WIN average wage rates to approximate prevailing rates. However, WIN entry wages probably would still be absolutely higher than in low wage areas, even though the standardized measure might be lower. These higher job entry wages (measured in absolute values) would generate larger incomes and larger commensurate welfare grant reductions. As a consequence, the analysis shows an inverse relationship between standardized job entry wage rate and welfare savings.

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*We chose in our analysis to define path coefficients as standardized regression coefficients or beta weights.

5. Potential Applications and Improvements

Previous sections have addressed how we conducted our analysis of state and local data on WIN performance indicators and their association with socio-economic environmental variables. They showed how this analysis linked up with our content analysis of mostly qualitative information on organizational and process variables. This section focuses on what could now be done, based on this study, to provide more definitive statements about causal ordering among environmental and organizational variables and about expected influences of induced changes in these variables on program performance.

The specific approach we used was necessitated by the exploratory nature of our study. Little was known about WIN organizational characteristics or their likely influence, and that of environmental factors, on program effectiveness. Therefore, we had to start by providing information on phenomena associated with and directly descriptive of state and local WIN operations. This information was used to define variables, to identify the extent to which they varied in operations studied, and to develop hypotheses for testing. Analysis was aimed at identifying systematic associations among these variables. Our findings suggested what organizational characteristics differentiated relatively effective state and local WIN operations from relatively ineffective ones. To meet these objectives, we chose to combine statistical analysis of quantitative data on socio-economic factors and performance indicators with content analysis of mostly qualitative information on the organizational characteristics of selected state and local WIN programs.

This section presents a statistical design that would simultaneously analyze longitudinal data on environmental, organizational and performance variables. This design would permit inferences about causation among these variables and could be used in the analysis recommended in Chapter 14. That chapter proposed a strategy for implementing recommendations based on our research findings. Part of this strategy for improving WIN program performance involved the development of a longitudinal data base for a stratified random sample of local WIN programs and rigorous, comprehensive analyses of these data. Both the data base development and the analytic design are premised on knowledge acquired through this exploratory study.

The proposed sample of local WIN units would be stratified by variables that are not likely to change significantly during a one-year period or during the short-run (a five-year period) and that are statistically significant correlates of program performance. Such stratifying variables would be selected from those identified as significantly related to WIN performance, as presented in Section 4 of this appendix. Data on organizational characteristics (including state central office influences on local operations) would be obtained through standardized instruments. This study has provided us with knowledge on what variables and what scalar measurements to use in these instruments.

Findings from analysis of these longitudinal data could satisfy a number of WIN program needs. First, they could provide more objective data on what could be expected of local WIN operations in particular kinds of environments. This could assist state program coordinators and local unit staff in their joint determination of activity and performance goals. Regression analyses would provide them with a "prediction" equation. The general form of this regression equation would be similar to that presented in Section 1. By assigning local unit values to the predictor variables, program officials could obtain a range of values for activity and performance indicators that could be used during goal-setting negotiations.*

Such analysis could also have evaluative and allocative utility. Local units whose overall performance (or performance on particular indicators) fell within one standard deviation plus or minus their expected values could be viewed as approximating effectiveness levels consistent with what one would expect given their particular socio-economic environments.** Those with actual values in excess of one standard error of estimate would be considered relatively high performing operations. Those below one standard error of the estimate would likely have organizational or process problems contributing to their relatively low performance showing. This performance categorization of local operations could be considered during the within-state allocation and planning process. Those local units with performance problems might be singled out for in-depth review and diagnosis by regional and state WIN officials and for joint state/local development of plans for corrective action. Thus, state-level staff resources could be targeted on those units requiring attention, and local staff and training resources could be allocated on a more objective basis.

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*Regression coefficients and standard errors should be obtained through the "jackknife" technique which involves construction of equally sized random samples of observations, sequential omission of one of the sample sets and computation of statistics, and "averaging" of statistics derived from these computations. See Tukey (1977).

**Depending upon national policy, data on performance or activity indicators could be individually analyzed with environmental data, or "overall effectiveness" scaled scores could be obtained through canonical correlations or factor analysis and these regressed on similarly aggregated measures of environmental conditions.

Since longitudinal data collection would occur for both sponsor and SAU units, the above suggestions for planning, evaluation and resource allocation are not restricted just to WIN sponsor units. They could also apply independently to SAU units, or to some form of joint assessment of local SAU/sponsor units.

The second use of this longitudinal data base on a representative sample of local WIN units would be for "control" or comparison purposes during WIN experimentation or demonstration projects. Local WIN units involved in such projects could be matched to local units in the sample. The basis for such matches would be environmental and organizational data collected on demonstration sites and their historical performance levels. These would be matched with those of units in the sample on a one-to-one basis. The number of sample units used for comparison sites would be dependent on the inferential power desired and design/cost considerations associated with a particular study. Examples of experimentation where such controls would be desirable are the WIN labs, Job Search Training experimental sites, and performance improvement demonstrations proposed by this study.

Thirdly, this longitudinal data base would provide federal and state WIN administrators with (1) information on "natural" changes occurring over time in local WIN units, (2) data on the effects on local programs of changes in federal WIN policy and procedures, and (3) a more definitive statement on the cause and effect relationships that exist among environmental factors, organizational characteristics, and performance levels. State and federal administrators could use the first two types of information to respond to changing realities in the field or to fine tune policy directives to more precisely bring about desired changes in their program. The remaining portions of this appendix address the third type of knowledge and its utility to program managers.

As stated in Section 1, the exploratory nature of this study precluded definitive statements about cause and effect relationships within state and local WIN programs. However, such statements could be made--causation could be inferred at relatively high levels of confidence--with analysis of longitudinal data on variables for which definitions and parameters can be created as a result of our exploratory research. Such analysis would permit one to identify the determinants of performance in the WIN program and to predict the direction and magnitude of changes in performance levels that would result from measurable and induced changes in organizational variables that are within the control of WIN managers and staff. In effect, a program manager could institute change in an operation and be able to realize predictable levels of performance improvement. However, experimentation would be required to develop a set of feasible, appropriate and efficient ways of initiating and sustaining such structural, managerial and procedural changes.

The statistical design presented here presupposes the development of a stratified random sample of local WIN units, the periodic acquisition of socio-economic data on service areas covered by these offices, the use of standardized data collection instruments to measure political environmental phenomena and organizational factors for the same time periods, and the collection of program activity and performance data for both local sponsor and SAU operations. The analytic design addresses the "spuriousness" problem discussed in Section 1 of this appendix and permits the differentiation of direct and indirect effects of environmental and organizational factors on WIN performance.

The statistical design* involves a two stage regression analysis of the following form:

1st stage regression $Y_{1\alpha} = a_1 + \sum b_{1i} L_{i\alpha} + \sum b_{1j} S_{j\alpha} + \sum b_{1k} P_{k\alpha} + R_{w\alpha}$

$= \hat{Y}_{1\alpha} + R_{w\alpha}$

2nd stage regression $Y_{2\alpha} = a_2 + b_{21} \hat{Y}_{1\alpha} + \sum b_{2m} X_{m\alpha} + R_{v\alpha}$

where for the αth local WIN program:

$Y_{1\alpha} = Y_{2\alpha}$ = a composite, standardized performance measure or indicator for overall WIN effectiveness

$L_{i\alpha}$ = the ith variable describing the local labor market

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*We are indebted to Dr. Timothy Ling, formerly of The Urban Institute and currently with JWK International Inc., for his consultations and suggestions on this design.

$S_{j\alpha}$ = the jth variable identifying socio-demographic characteristics of the population in the program's catchment area and of the program's registrants

$P_{k\alpha}$ = the kth variable describing local and state political conditions

$R_{w\alpha}$ = residual variation for the first stage regression

$\hat{Y}_{1\alpha}$ = estimated effectiveness level as predicted by environmental independent variables in first stage regression

$X_{m\alpha}$ = the mth variable describing organizational characteristics of program

$R_{v\alpha}$ = residual variation for the second stage regression

The first stage regression is similar to the one presented in Section 1 and used in our analysis of state and local environmental influences on program performance (Sections 3 and 4, respectively). It differs in its inclusion of political factors (P), data upon which would be obtained through standardized data collection instruments. The second stage regression would use estimates from the first stage and organizational descriptors to identify the combined influence of environmental and organizational factors on WIN performance. Quantified organizational variables describing a random sample of local units would permit regression of these variables upon environmental variables as had been previously done with performance measures. In effect, it would permit the regression of the residual of organizational determinants (R_v--the residual of the regression of organizational factors on environmental variables) on the residual of performance (R_w--the residual of the regression of a composite performance measure on environmental variables). Such a regression would provide unbiased regression coefficients. That is, possible spurious correlations existing between performance and organizational variables due to their common environmental determinants would no longer be at issue. Figure 21 gives a graphical presentation of this general approach.

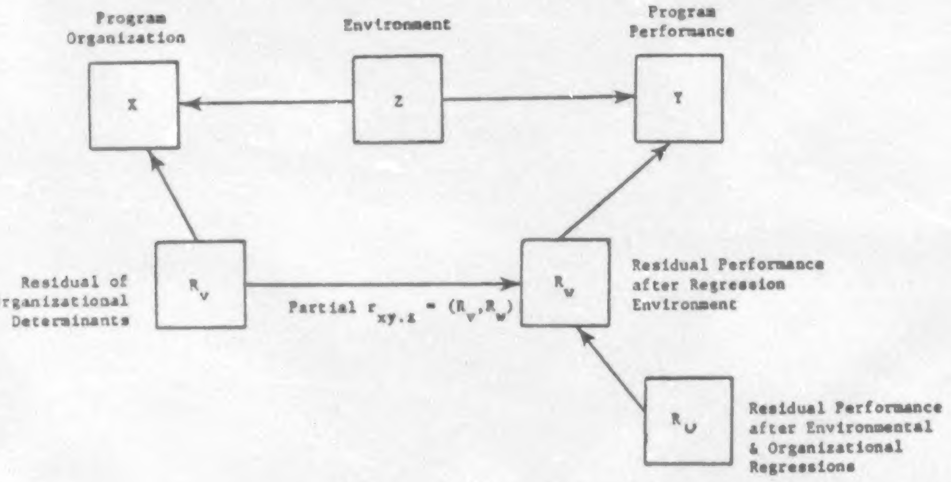
Program Organization
Environment
Program Performance
X
Z
Y
Residual of Organizational Determinants
R_v
Partial $r_{xy.z} = (R_v, R_w)$
R_w
Residual Performance after Regression Environment
R_u
Residual Performance after Environmental & Organizational Regressions

Figure 21

General Analytic Design for Unbiased Estimation of Environmental and Organizational Influences on Local WIN Performance

While the above is a general analytic schema for addressing the influences of environment and organizational characteristics on WIN performance, specific procedures are required to (1) identify primary variables for analysis and for use in (2) the development of composite measures for environment, organization and performance so that (3) the direct effect and indirect effect of environment on performance and the direct effect of organizational characteristics on performance can be identified. Composite measures (the upper case P, S, L, Z and X in Figure 22) would be derived using regression coefficients (the b's in Figure 22) and a composite performance indicator would be formulated taking an average of standardized variates.* The path coefficients (P's in Figure 22) indicate the relative importance of a composite measure--the strength and direction of association between composite measures and between composite measures and residuals.**

---

*Figure 22 regression coefficients with "d" subscripts would have d = y when the performance composite measure was regressed on environmental factors and d = x when organizational factors were regressed on these environmental variables.

**A composite path coefficient is the ratio of the standard deviation of the composite dependent variable attributable to primary independent variables within a composite, such as, X, with other composites, such as L, S and P (and thus Z), in the regression held constant to the standardized deviation of that dependent variable (for example, $P_{yx} = SD(\hat{Y}_x)/SD(Y)$.

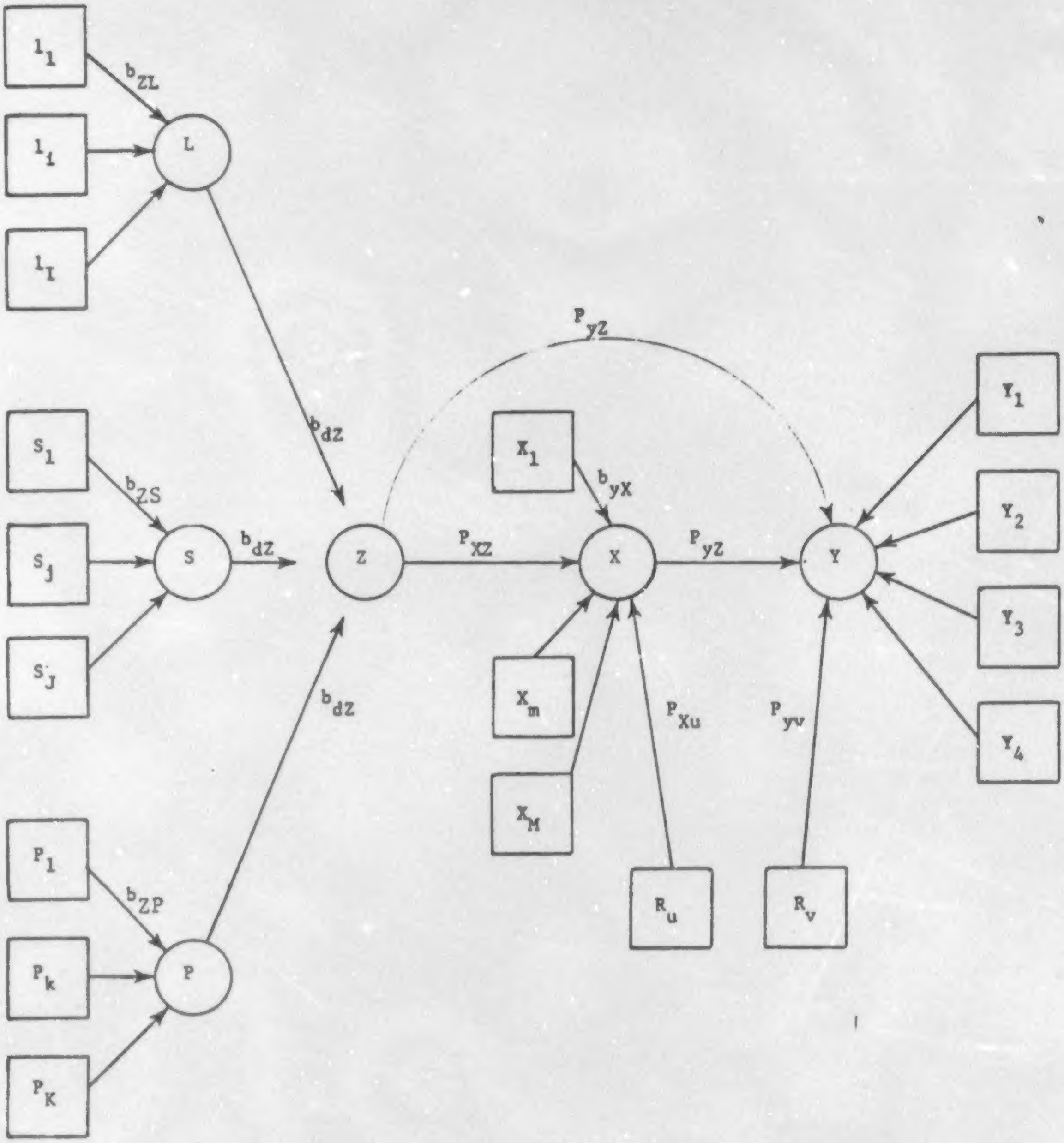
l_1
b_{ZL}
l_i
L
l_I
P_{yZ}
Y_1
b_{dZ}
S_1
X_1
b_{ZS}
b_{yX}
Y_2
S_j
S
b_{dZ}
Z
P_{XZ}
X
P_{yZ}
Y
Y_3
S_J
b_{dZ}
X_m
P_{Xu}
P_{yv}
Y_4
X_M
P_1
b_{ZP}
R_u
R_v
P_k
P
P_K

Figure 22

Graphical Depiction of Two Stage Regression Analysis for Determinants of Performance

Sequentially, this analysis would involve:

(1) a first stage regression of the performance measure on all primary variables (lower case l, s, p and x) selected for analysis;

(2) estimation of expected performance based on environmental influences ($\hat{Y}_z$) and that are attributable to organizational factors ($\hat{Y}_x$);*

(3) calculation of path coefficients, P_{yz} and P_{yx}, and residual path coefficient P_{yv};**

(4) a second stage regression of $\hat{Y}_x$ on the primary environmental variables;

(5) estimation of expected performance ($\hat{\hat{Y}}_{x,z}$) due to direct effect of environment on organizations implementing program;***

(6) calculation of composite path coefficient P_{xz} and residual path coefficient P_{xu};**** and

(7) derivation of a path analytic model for inferring causal ordering among variables and their relative importance as determinants of WIN performance.

---

* $\sum b_{yz} z = \hat{Y}_z$ and $\sum b_{yx} x = \hat{Y}_x$

** $P_{yz} = SD(\hat{Y}_z)/SD(Y)$; $P_{yx} = SD(\hat{Y}_x)/SD(Y)$; and

$$P_{yv} = \sqrt{(1-R^2 \text{ of first regression})}$$

*** $\sum b_{xz} z = \hat{\hat{Y}}_{x,z}$

**** $P_{xz} = SD(\hat{\hat{Y}}_{x,z})/SD(\hat{Y}_x)$; $P_{xu} = \sqrt{(1-R^2 \text{ of second regression})}$

As shown in Figure 23, all direct and indirect effects of environmental/organizational variables on WIN performance are assessed in units of expected performance (as predicted by relevant primary variables). The square of a composite path coefficient provides a measure of the direct determination of that path (proportion of variation attributable to the direct effect of independent variables). The sum of these path coefficients squared is the variation in performance among local units attributable to all the composite measures included in the model (and thus their primary variables). The square of the residual path coefficient (P_{yv}) is a measure of nondetermination (proportion of variation not accounted for by variables included in the model).

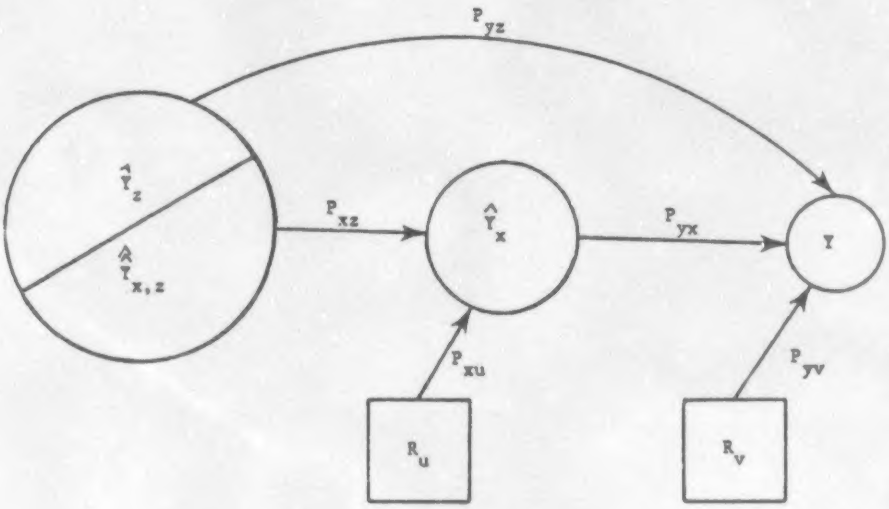

Figure 23
Path Analytic Composite Regression Model of
WIN Performance Determinants

APPENDIX C

FIELD INTERVIEW GUIDE AND RESPONDENT LIST

This appendix contains an outline of the guide used to conduct interviews at the regional office, state and local levels, as well as a list of types of respondents interviewed at each level. Material included for cueing and coding purposes in the guides used in the field have been deleted. Subject items under each heading were coded to be asked of specified types of respondents. The field researchers were instructed to modify some items as necessary to fit different respondent types and to probe vague or unclear responses. Respondents were promised confidentiality as to their identity, organization and location.

Outline of Interview Guide

A. Personal Characteristics
   1. Education
   2. Work experience
   3. Job tenure
   4. Training

B. Formal Organization
   1. Organization charts
   2. Staff rosters
   3. Reporting patterns

C. Goal Structure
   1. Unit goals
   2. Superiors' goals
   3. Perceived impact of goals

D. Allocation Formula
   1. Distribution of information on the formula
   2. Perceived priorities
   3. Changes in priorities
   4. Influence of formula
   5. Regional distribution of discretionary funds

E. Unit Tasks and Functioning

1. Unit tasks
2. Individual tasks
3. Intra-unit work flow patterns
4. Task time allocations
5. Suggested changes in task time allocations

F. Intra-Unit Interaction

1. Co-worker interaction patterns
2. Supervisor interaction patterns
3. Intra-unit meetings
4. Non-work interactions

G. Managerial Behavior

1. Delegation of authority
2. Response to staff suggestions and change
3. Approach to staff management
4. Sources and frequency of conflict
5. Modes of conflict resolution

H. Service Delivery Techniques and Procedures

1. Client flow
2. Staff-client activities
3. Treatment of voluntary participants
4. Changes in service delivery procedures, client flows and service mix

I. OJT and Private Sector Placement

1. Use of OJT contracts
2. Employer response to OJT and tax credit
3. Perceived WIN OJT-CETA OJT interaction
4. Types of private sector openings available/utilized for clients
5. Employer receptivity to hiring WIN registrants

J. Inter-unit Interaction

1. Substance, frequency and character of interaction with other units
2. Office-wide meetings
3. Non-work interactions

K. ES-WIN Relations

1. ES-WIN unit differentiation
2. ES-WIN task interchanges
3. WIN access to ES job orders
4. Perceived usefulness to WIN of Job Bank
5. Cooperation and coordination with employer relations representatives and with Job Information System (JIS)
6. Attitudes of ES staff to WIN (and visa versa)

7. Perceived impact of WIN presence on ES
8. Extent of ES-WIN rivalry or tension
9. Mode of ES-WIN conflict resolution

L. Sponsor-SAU Linkages
1. Character of coordinating mechanism or procedures
2. Coordination problems and solutions
3. Sponsor-SAU task interchanges
4. Formal and informal contacts and interactions
5. Changes over time
6. Collocation (and integration) and its perceived affect on operations

M. IMU-WIN Linkages
1. Items similar to "L" above.

N. CETA Linkages
1. Substance and frequency of contact
2. CETA intake and referral mechanism
3. Proportion of WIN (AFDC) in CETA Training and PSE components
4. Prime sponsor priority for welfare recipients
5. Kinds of CETA training
6. Sources of WIN-CETA conflict and modes of resolution
7. WIN attitudes toward and opinion of CETA (and visa versa)
8. Constraints on WIN participation in CETA PSE
9. CETA funding of WIN staff positions
10. Substance, frequency and quality of information exchange

O. Vocational Education Linkages
1. Frequency and subject of contacts
2. Referral procedures
3. Types of training
4. WIN staff involvement in Voc Ed curriculum development
5. WIN attitude toward and opinion of Voc Ed (and visa versa)

P. Vocational Rehabilitation Linkages
1. Items similar to "O" above
2. Specialized or joint caseload management
3. Staff cross-training
4. Rehab attitudes toward welfare clients

Q. Other Agency Linkages
1. Frequency, substance and recency of other service agency contacts
2. Referral procedures
3. Perceived benefits

R. Personnel Systems
   1. Hiring and promotion procedures
   2. Political influences
   3. Salary level competitiveness
   4. Affirmative action policies and mechanisms
   5. Veterans preferences
   6. Degree and effects of unionization
   7. Perceived characteristics of WIN personnel
   8. Perceived impacts of personnel system on program

S. Facilities and Equipment
   1. Office location decision-making
   2. Perceived quality of WIN unit office space and location
   3. Perceived effect of administrative support agencies on program operations

T. Regional Office
   1. Role and functioning of RCC
   2. Role and functioning of regional WIN unit
   3. Performance of specific tasks (resource allocation, monitoring, site visiting, technical assistance, etc.)
   4. Federal-state conflicts and mode of resolution
   5. Federal influences on state and local program operations

U. Written and Oral Communication
   1. Nature, frequency and flow of communications
   2. Authority to modify or stop written communications
   3. Use of meetings, institutes, training sessions
   4. Compliance and disagreement
   5. Feedback mechanism and attitudes

V. Political Influences
   1. Perceived influences of the political appointees in charge of the agency
   2. Perceived influences of other state level political officials
   3. Perceived influences of local level political officials
   4. Politicians' public positions on WIN and welfare
   5. Perceived influence of various lobbies and special interest organizations

W. Technical Assistance
   1. TA received
   2. TA usefulness, competence, limitations
   3. Unfilled needs and suggested improvements

X. Federal Funding
   1. Changes in funding levels, delays, etc.
   2. Perceived impact on program operation

Y. State Funding
   1. Matching grants
   2. Allocating Title XX funds
   3. Special initiatives
   4. General austerity programs
   5. Local contributions or in-kind subsidies

Z. MIS
   1. Accuracy, timeliness, credibility of ESARS, CAS, other MIS
   2. Managerial utilization
   3. Staff EDP capacity
   4. WIN-welfare reporting interface
   5. Problems, innovations and suggestions

AA. Planning
   1. Planning and activity target setting processes
   2. Realism and usefulness of plans
   3. Sponsor-SAU unified budgeting and planning

BB. Budget Review
   1. State budget review
   2. State program analysis or oversight

CC. Community Attitudes and Perceptions
   1. General awareness of WIN
   2. Attitudes toward WIN, welfare and work

DD. Assessment and Welfare Reform
   1. Perceived strengths and weakness of their WIN program
   2. Suggested improvements
   3. Expectations about welfare reform

Respondent Categories

Regional Level

Assistant Regional Director for Employment and Training (DOL-ETA)
Regional Commissioner of Human Development Services (HEW-OHDS)
Regional WIN Director
WIN unit staff
OPTS staff
ETI staff

State Level

State WIN Sponsor Coordinator
Other WIN Sponsor Central Office staff
WIN Sponsor Coordinator's supervisor
State SAU Coordinator
Other SAU Central Office staff
SAU Coordinator's supervisor
SESA Research and Statistics staff
SESA Evaluation and Monitoring staff
SESA Chief of Field Operations
Key manpower aide in governor's office
CETA balance-of-state official
Budget examiner for WIN program
Member of legislature or staff familiar with WIN
Officials from department of education, vocational education, or vocational rehabilitation
Public service employees' union representative

District/Area Level

WIN Sponsor supervisor
ES supervisor
SAU supervisor

Local Level

WIN sponsor unit supervisor
Intermediate supervisor in local WIN sponsor office
ES office manager
Welfare administrator
SAU supervisor
IMU supervisor
SAU staff
IMU staff
Job Bank supervisor
CETA prime sponsor administrator or staff
Vocational education administrator or staff
Vocational rehabilitation administrator or staff
Representatives of community-based organizations

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Where to Get More Information

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